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THE FINANCIAL POST

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The Nation's Business

A Programme to Stop Wage Inflation

Several months of experience have revealed that Order-in-Council 7440—outlining Canada's wartime labor policy—represents an effective and workable compromise.

It is fair to labor, for it ensures the worker of security against sharp increases in the cost of living.

It is fair to employers because it offers them security against unwarranted wage demands.

It is fair to the public because, properly enforced, it can stop the spiral of inflation, it can stop undesirable strikes in war industries, it can stabilize employer-employee relations in Canada for the duration of the war.

Up to now, P.C. 7440 has been nothing more than a guide or formula which the Government hopes employers, workers and conciliation boards would follow. It has been flouted by C.I.O. leaders and Communist leaders. Many industrialists have ignored it in favor of a policy of buying labor "peace" by competitive wage increases. The Government itself has done little either to win respect and understanding for its avowed policy, or to enforce it in war industries.

Now the Government has, however, taken the wise step of converting its labor policy from a pious wish into a definite programme.

The provisions of Order-in-Council 7440 have been made, in effect, mandatory over the whole range of war industry.

In addition, the Minister of Labor, Hon. Norman McLarty, K.C., is planning a nation-wide publicity campaign to "sell" this labor policy to industry and to workers.

* * *

In brief, the wartime labor policy of Canada as outlined by 7440 and other measures may be summarized as follows:

1. Wages not above 1926-1929 level (a level higher in most fields than the wages prevailing at the beginning of the war).
2. Cost-of-living bonuses to workers to cover increases in the expense of maintaining families; these as a substitute for general wage increases.
3. Control of prices, rents, etc., to keep the cost of living from rising too rapidly.
4. Extension of "conciliation" plans to all war industries in order to reduce strikes. Punishment of those who illegally strike.
5. No wage increases to cover war taxes or war savings.

These provisions are, on the whole, fair and reasonable. Obviously, they could be improved. There will be some cases of inequity and injustice. For instance, the railways will be called upon to pay a cost-of-living bonus although the Conciliation Board that sat on the case recommended it only for the lower paid workers. Several millions will thus be paid out to workers, who in most cases, are already drawing very high wages. There will be many instances where industries have suffered severely from the war and will have difficulty in paying even the $1.25 a week extra that the cost-of-living bonus plan already calls for.

The Labor Department's view is, however, that such inequities are to be preferred to an avalanche of inflationary wage increases that would undermine the whole war finance policy of Canada.

Mr. McLarty's new moves indicate that the Government is taking a more realistic view of the critical labor situation that has developed in Canada. There is an excellent chance now for improvement in that situation.

* * *

MR. KING IS NEEDED IN LONDON NOW

Prime Minister Churchill told the British House of Commons that he had hoped to have a conference of the Commonwealth's premiers by the end of July or early in August. The plan fell down when Prime Ministers King and Smuts could not or would not go.

Mr. King's statement as to his intention to go if, as and when he thinks it desirable is not very convincing. It suggests that the Prime Minister is still thinking of slow national mobilization for a war that may come next year or the year after. It is in sharp contrast to the statement of his own Minister of National Defense who has sharply warned us that the most dangerous enemy on this side of the water is the idea that we have plenty of time.

Prime Minister Mackenzie King ought to go to London without delay to consult with the war chieftains, with Prime Minister Churchill, with General McNaughton and with the heads of other Empire and Allied States.

The undertaking in which we are engaged is of such magnitude, the issues that are at stake are so grave and the immediate danger so acute, that the chief of our Government should be in possession of a size-up that he cannot possibly get second hand.

Cables and telephones cannot possibly bring to Mr. King a true picture of what is involved in the mighty campaigns now in progress. They cannot possibly inform him of what is called for from this country—not in 1942 or 1943 but this year—in the way of men or munitions production.

Even if Mr. King went for the sole purpose of having an intimate chat with General McNaughton as to Canada's responsibilities, the trip would be worth while.

Mr. King himself has recognized the value of first-hand conversations by his visits to President Roosevelt. Is not London infinitely more a nerve centre of war than Hyde Park?

* * *

POST BERATED, BUT CRITICISM GOT RESULTS

On October 28, 1939, The Financial Post revealed the unbusinesslike terms of a group of contracts for west coast defense construction jobs. One of the points brought out in The Post was that, contrary to custom in the contracting field, contractors on certain of these jobs were allowed rentals for their machinery on the basis of one day's rental for each 8 hours worked. If the machines were used 24 hours, they would get three full days' rental allowance, although accepted practice was to charge a smaller sum for the second or third 8-hour period in a day.

For bringing out these and other facts, The Financial Post was violently attacked by ministers of the Crown.

But apparently while the ministers were attacking The Post they were quietly taking steps to avoid similar contract arrangements in the future.

The Tilley report on the Dartmouth airdrome contains an interesting bit of history in this regard. On October 6, 1939, the Department of National Defense signed a contract with the Acadia Construction Company, covering surfacing work at the airdrome. This contract provided for the 8-hour day basis of rentals with no provision for lower rentals for the second or third 8-hour period in a single day.

The Financial Post's article, criticizing such arrangements, appeared October 28, 1939. On January 25, 1940, the contract with the Acadia firm was completely revised and a new contract issued. It provided that for the second or third 8-hour periods in any day, only half the specified rental should be charged.

The Tilley report brings out the fact that The Financial Post was not alone in considering triple rentals as unbusinesslike R. C. Vaughan, chairman of the Defense Purchasing Board, had also protested.

Incidentally, the report makes it quite clear that the day on which the Minister (Hon. Norman Rogers) dismissed Mr. Vaughan's objections on the ground that the contract was "an accomplished fact" was the very day that the contract was signed by the department.

Trust, Loan Firms Cut Dividends

Three trust and loan companies have announced reductions in annual dividend rates.

Trusts & Guarantee Co. is paying $1 a share where its last payment was $2 a share. Premier Trust Co. is paying $1.50 a share as a semi-annual dividend, compared with former payments of $2.

Canada Trust Co., London, is paying $3 a share where last year the company paid at the annual rate of $8, in one payment of $3 and another of $5. In the latter case, the 1940 dividend was a reduction from previous rates. It was earlier forecast that Canada Trust would pay $8 again this year, requiring a $5 payment later in the year.

The explanation seems to be the same in each case. It is primarily one of taxation.

Tax Burden Doubled

For example, last year the Trusts & Guarantee Co. provided $19,479 for income and excess profits taxation. This year it is expected that about $40,000 will be required. Earnings

(Continued on page 2, col. 2)

Curbs Planned For Poaching Of Labor

From Our Own Correspondent

OTTAWA.—Canada's new national Employment Service, which came into being this week alongside the Unemployment Insurance scheme, will shortly be used to help employers solve labor "poaching" and other problems.

When the new programme came into effect July 1 the Government took over officially all provincial employment offices throughout Canada. It now operates on a temporary basis some 45 offices throughout the Dominion. Eventually there will be more than twice that number.

The offices will be used not only to locate men for needed war work and other jobs but shortly it will be made mandatory that in certain trades where a shortage of labor exists, no men in these "special" trades may be hired except through the Employment offices. In this way it is hoped to put a further check on the "poaching" of labor as between individual plants.

On the employment offices will also fall responsibility not only of

(Continued on page 2, col. 5)

Quebec Fast To Move On Power

From Our Own Correspondent

MONTREAL.—Beauharnois Light, Heat and Power Co. has been officially informed by the Quebec Government that it is now ready to enter into negotations or "conversations" in regard to expropriation of the property.

Pierre Emile Cote, provincial minister of lands and forests, will act as spokesman for the Government.

It is expected the discussions will get under way shortly. Present indications are preliminary work will be undertaken by Mr. Cote with one or two company representatives. Following this committees will likely be set up to arrive at terms of settlement. In event of disagreement, an arbitration board will be established.

Move Independently

In some quarters it had been expected the Government would be in no hurry to exercise the authority granted it in the bill by the Legislature at the last sitting, to take over the Beauharnois property.

Moreover as there is a tie-up be-

(Continued on page 2, col. 4)

Will Extend War Labor Control To All Industries, All Workers

Wage Rates to be Stabilized for Duration in Every Industry if Other Provinces Follow Ottawa-Ontario Lead—New Teeth in P.C. 7440

By KENNETH R. WILSON

OTTAWA.—Stabilization of all wages in Canada for the duration of the war—wages both of war and non-war industry—is the next move now pending on the labor front.

With P.C.7440 now made mandatory for all war industry, the Government hopes by provincial co-operation to extend its provisions into every plant and business throughout the Dominion.

Such co-operation has already been obtained in Ontario, The Financial Post is informed. Other provinces, it is hoped, will follow suit. The Hon. Norman McLarty, Minister of Labor, is moving swiftly to extend his wage stabilization policy into every sector of the factory front.

Wages in non-war industry, in the Federal Government's view are still a provincial matter. It is hoped that the provinces will see fit to make their wage policies conform to the new Federal programme. If this is not done the Government may decide it must move into the provincial field to avoid an inflationary spiral which would prove disastrous to national monetary policy and nullify the Government's action in the field of war industry.

Co-operative action between the Dominion and the provinces was provided for in the ill-fated Dominion-Provincial conference of last January. It fell into the discard (officially) when the conference blew up. But quietly great strides have been made to achieve common policy on the labor front.

First indication of the new and revolutionary policy in respect of labor wages was given last week in The Financial Post. At that time it was forecast that stabilization of war wages was imminent. Amendments to P.C. 7440, announced July 2, give effect to this new policy as far as war industry is concerned. By these amendments (which make P.C. 7440 mandatory) wages in all war industry are to be stabilized at or near the 1926-29 ceiling with provision for a flat-rate wage bonus to offset any subsequent rise in the cost of living.

Included in this order will be the railways, mines, pulp and paper plants and many other groups which are considered vital to the war effort though not actually producing munitions of war.

It is admitted that the granting of this bonus to all railway workers will cost the Government and the railway employers several millions of dollars. In the case of the railways the immediate cost of the bonus is placed at about $8 or $9 millions.

Such a payment is in face of the fact that a conciliation board which recently adjudicated the railway appeal, voted in favor of giving such a bonus only to employees earning $25 a week or less.

However, the Government believes that the placing of all rail and war workers under 7440 for the duration will save many times that amount by putting a legal lid on any increase in basic wages (rail workers in the U. S. are already receiving 15% more than Canadians and are applying for further 30% increase).

P. C. 7440 permits no increase in

(Continued on page 2, col. 3)

B. A. Oil Officer Declares Sales Hit New Peak

Demand for petroleum products is taxing the capacity of British American Oil Co.'s refineries at present, states J. C. Millar, treasurer. This situation will be relieved by completion of the new refinery near Toronto. Substantial gains are being shown by consumption of aviation gasoline, and other fuels, as well as lubricants by Canadian armed forces.

Direct wartime purchases, added to increases from industrial, commercial and private consumption, "have resulted in a substantial increase in sales in the first six months of the year of all products manufactured by your company," concludes Mr. Millar.

In a Dominion Day ceremony at Sorel, the first six 25-pound field guns produced in Canada were officially turned over to the nation's armies. Quantity production is expected by the fall. Technical management of the operation is being supplied by Chrysler Corporation of Canada. Sorel Industries Ltd., which is making the artillery, is controlled by the British and Canadian Governments and by the Simard interests. In charge of operations is George Smith, loaned by the Chrysler Corporation of Canada. The Sorel firm is also producing other types of guns and is said to be the only organization on this continent making guns from raw materials to final state.

Personalities photographed at the "first-gun" ceremonies are (left to right): John D. Mansfield, president, Chrysler Corp. of Canada, Ltd.; K. T. Keller, president, Chrysler Corp. (U.S.A.); Quebec's Premier Adelard Godbout; Secretary of State Pierre Casgrain; Minister of Justice Ernest Lapointe; Edouard Simard, vice-president Sorel Industries, Ltd.

The War And Business . . *A Weekly Round-up*

Regimentation Coming

Canadians may expect more regimentation in our national war effort. Instead of being asked to use more of this and produce more of that, soon we may be ordered to do so.

This was the impression gained at the meeting of the National Association of Business Paper Editors in Ottawa last week. Both American and Canadian newspapermen heard remarkable frank appraisal of Canada's war production from official sources.

The voluntary or honor system Canada has adopted so largely in its war effort is in striking contrast to the multitude of rigid controls, priorities, etc., set up by Washington. Apparently neither course has given the best results. There are hopes of lessening the red tape restrictions in the United States, but definite expectation of more compulsion here. Just how far Ottawa will go in official rationing and other regimentation will depend on what co-operation is forthcoming from industry and private consumers.

* * *

Canadian Army Calls

Though many informed observers believe that military conscription for overseas service for Canada is inevitable, Ottawa authorities apparently are going to give the present machinery another full dress trial. During the week Defense Minister Ralston announced that 100,000 more men would be called up for four months' training, that 2,000 to 3,000 young women would be recruited for auxiliary military service and that the present drive for 32,000 men for overseas service has brought almost 20,000 men or 60% of the objective, into the active army.

Like the present army of four months trainees the new classes called up will, on the expiration of original training, go into the reserve or home defense army for the duration of the war. It is hoped that a large part of them will volunteer for transfer to the active or overseas force. Such transfers from the present home defense forces, however, are understood to have been disappointing.

Our Aid in Near East

Routine trade figures from Ottawa indicate the vital role Canadian factories, particularly automotive plants, are playing in the battles in the Near East. In May Canada's exports to Egypt were valued at over $11 millions compared to a mere trickle of goods in normal times. For the first five months of the current year our total exports to that country were valued at almost $17 millions against slightly over $500,000 for the same period a year ago. To British East and West Africa and to Southern Rhodesia there was similar expansion.

* * *

Russian Chances

General opinion among Washington military strategists continues most pessimistic about Russia's chances of holding the Germans. At best, they seem to think complete Nazi victory cannot be delayed longer than early fall. At that, this is an improvement over earlier opinion which seemed to agree with the German boast that the Red Army would be blotted out of the picture in a month.

Civilian opinion among Washington officials, on the other hand, is much more optimistic. It believes that the military observers have notoriously underestimated the military strength of Russia, that there is a good prospect of Hitler being tied up over next winter and if so, indefinitely.

This same group are also beginning to believe that Britain's intensive bombing of the French channel ports since the Nazi attack on Russia may be a prelude to an attempted British landing.

Such a turning of the tables would be a startling change in the general war situation and is discredited by most military strategists. For months the latter have declared that Britain could not hope to be strong enough to go back to the continent until next spring at the earliest.

* * *

Why Soviet Invaded

Real meaning of Hitler's sudden onslaught against his former friend Stalin, says Major George Fielding Eliot, is the securing of an invulnerable arsenal of war supplies, including food, to offset a similar advantage Britain possesses in the aid furnished by United States and Canada. In both cases this commentator points out the problem is identical.

Germany must restore and keep Russian roads and rail lines open while Britain must protect the line across the Atlantic. If successful in subduing Russia quickly and without great material damage, then Germany will have succeeded in prolonging the war, argues Eliott.

* * *

The Prize

The Ukraine, richest material prize sought by Germany in Russia is described in a recent article in the Canadian Institute of International Affairs as follows:

"Before Russia added to it the Ukrainian section of Poland in 1939 the Ukraine had an area almost as large as Germany. This area had a population of some 31 million, including large Russian and Jewish minorities concentrated largely in the towns. Because of its great wheat fields, it is frequently called 'the granary of Europe,' but it has also rich resources of minerals and much of Russia's industry. Recent German estimates state that this area produces 70% of the Soviet's sugar, 60% of its pig iron, 54% of its coal, 25% of its wheat, and 10% of its machinery."

* * *

Pleasure Spending

Does it annoy you to see thousands of people rushing to the movies or professional sports events, spending their money? If you are afraid that the war effort is being injured, your views do not coincide with those of some of the government economists.

A couple of them were discussing the subject in Ottawa the other day. They agreed that money so spent makes but small demand upon the bottleneck war materials; it helps ease tension and improve public morale; most of it stays in Canada. Their chief point was that with increasing payrolls it was better to provide people with comparatively harmless ways of spending their money rather than have them spend it on new durable goods that must come out of the resources available for producing war supplies. It is best for people to save as much as possible, they agreed, but if they must spend they cannot spend it better than on amusements — excepting, of course, those involving large-scale use of American dollars.

* * *

Loan Impressed U. S.

Oversubscription of Canada's first Victory Loan has made a mighty impression on the United States. Managing Editor Irwin Robinson of Advertising Age terms the campaign the most striking success story in advertising history.

He doubts whether Canadians realize the magnitude of the task we have just accomplished. On the basis of difference in population, raising of over $800 millions in three weeks in Canada is the equivalent of a $10 billions sale of securities for the United States.

Mr. Robinson praised the good sense of the authorities in turning the selling jobs on the Loan over to a group of expert merchandisers.

* * *

Army Meals

Canadian housewives who have been having budget difficulties since food prices started increasing may be surprised to learn that the men in the Canadian army are being fed for 31 cents a day each. This is the official estimate and it is emphasized that the men are getting tastier, healthier and more interesting meals than in the first Great War. Cost of food per soldier 25 years ago ran between 25 and 40 cents. In the present American army foods costs per man are estimated at 50 cents per day.

* * *

Milestones

Sorel Industries produces first six 25-pounder field guns . . . First M-3 cruiser tank . . . For the next three months Canadians have been asked to reduce pork consumption 20% in order to bolster exports to Britain . . . About a million acres of former idle or swamp land have been added to Britain's acreage of cultivated crop this year alone . . . In the first four months of 1941 urban marriages have increased by 60% in Canada, mostly the result of the war . . . Canadian war contracts awarded for the week ended June 20 numbered 3,203 and totalled $37.6 millions.

Big Stick Due Shortly In Breton Slowdown

From Our Own Correspondent

OTTAWA.—The Government may shortly take action to enforce its authority in the Cape Breton coal situation. The industry has already been declared an essential war industry.

No action has yet been taken because the Government has been hoping the tragic "slowdown" which has already cost the country tens of thousands of tons in needed coal production would be settled by the union and its members.

Important negotiations are now under way between the local union and the union headquarters in the U. S. If these negotiations do not result in some immediate steps being taken to discipline the union members and bring production at the mines up to the peak, then Ottawa will use its powers under the War Measures Act and take drastic steps to ensure that no further time be lost. Continuation of slowdown operations will no longer be permitted.

Meanwhile miners in the Cape Breton area have decided to continue their policy of "production curtailment." Decision to this effect was reached by representatives of the nine United Mine Workers of America locals in the area.

Directed Against Own Officials

The campaign, which has been going on for several weeks in 10 pits, is aimed at impressing officials with dissatisfaction over existing wage scales and is part of a protest against the U. M. W. district officers signing a new wage contract without submitting it to a referendum.

The workers have decided to continue with their protest until the U. M. W.'s international headquarters issued a report on the findings of the commission that recently investigated internal conditions in the district union.

Rationing of Familiar Items Likely Soon

From Our Own Correspondent

OTTAWA.—Half a dozen top-flight war directors warned last week that Canadians must face increasing regimentation and rationing in metals and war materials, and they disclosed the real situation in various critical lines of production.

The information was given in informal talks with two dozen business and trade paper editors who met here for the semi-annual round table of the National Conference of Business Paper Editors.

Usually these men meet at Washington or New York to confer with business or government leaders each fall and spring. Last year they varied their routine by visiting for the first time the Canadian capital. The visit was so successful that they returned last week for another session with Canadian wartime administrators.

They discussed steel, labor, metals, chemicals and other wartime bottlenecks; learned how many war problems had been licked by ingenuity. They found that Canada was ready to send surplus materials to the U. S. over and above domestic and British demand.

Said one editor: "Canada is now running six to eight months ahead of the U. S. By studying your situation we can glimpse the sort of problems which we will face a few months from now."

Commodities named specifically as due for further immediate restriction in Canada included:

Nickel: Civilian consumption to be definitely controlled. Plans now

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Hat News FROM **EATON'S**

Year-round Favourite!

STETSON "Playboy"

One of the most consistently popular hats we have ever stocked, this lightweight fur felt by Stetson! Especially favoured by well dressed men for Summer wear! In handsome tones of grey, green, brown and blue-grey. Sizes $6\frac{5}{8}$ to $7\frac{1}{2}$.

Each 6.00

Main Store—Air-Cooled Main Floor.

T. EATON Co.

Trust and Loan Companies Cut Dividends

(Continued from page 1)

before taxes are likely to be about the same in each year, $100,000.

Premier Trust reports earnings, before taxes, this year a little higher than they were last year. But here again they expect to have to pay at least a minimum of 40% Dominion taxation and an unknown amount in provincial taxes.

Earnings available for interest are actually 60% of the prewar rate, assuming that income is approximately the same. Alterations in the income tax act this year make the burden on trust and loan companies even higher than the increased rate would indicate. One company estimates that for every $1 it pays to shareholders the Government gets another $1.

More Dominion Bonds

There is another factor entering into the trust and loan earnings picture. As an example, so far this year the Premier Trust has more than doubled its holdings of Dominion of Canada bonds and by the end of the year expects to have tripled them.

Thus, an increasing proportion of the earning assets of these companies is bringing in only 3%, where formerly they perhaps brought 6% or more through mortgage investments. Trust and loan companies appear reluctant to be caught with mortgages, fearing changes which will make them less liquid and give them perhaps less satisfactory holdings. Moreover, the number of good mortgages available is not enough to go around.

One trust company official suggests that circumstances are working around to the position where the Government is likely to have to step in with a proposal somewhat related to its mortgage bank which was shelved when the war started. This, he thinks, is the answer to the difficulties in providing mortgage credit for legitimate building purposes.

Will Extend War Labor Controls To All Workers

(Continued from page 1)

basic wage rates but merely provides for a flat rate "bonus" equivalent to 25 cents per week for every rise of one point in the cost-of-living index. This bonus is a flat rate applying to all workers irrespective of how high or low their basic wage rate may be.

Any adjustments of wages that are deemed necessary to put the wages of any group of workers in line with the general policy of 7440 will be the responsibility of the worker or the employer. The Government plans no provision for adjustments in "depressed" or other "out of line" trades. It will be up to individual employers or wage earners to establish their claim and submit the matter to arbitration. There will be no "waiting" period to bring wage rates into line with 7440 as has been suggested in some quarters.

Now that 7440 has become mandatory, the Government will move at once to publicize its provisions and to "sell" workers and employers on its benefits and merit. Hon. Norman McLarty, Minister of Labor, plans a sweeping campaign to get labor and industry behind the new efforts of his department to bring peace and stability into employer-employee relationships.

It is realized that the merits of 7440 have so far been hidden under a bushel and that the Act as originally set forth not only lacked teeth but lacked understanding on the part of both employers and employees. This lack will now be overcome by a country-wide publicity and educational campaign.

Quebec Is Fast To Move On Power

(Continued from page 1)

tween Beauharnois and the St. Lawrence waterways, it was believed the provincial government might wait until after the agreement between Canada and the United States had been ratified by Parliament and Congress.

Present information is that the Quebec Government plans to go ahead independently of the St. Lawrence waterways negotiations. In other words, its plan to take over Beauharnois is not dependent upon any action taken in Washington or Ottawa.

Under existing legislation, Beauharnois can be taken over by Quebec either by agreement or expropriation.

At the end of last year the company had invested in fixed assets $77.6 millions. Since then further large expenditures have been made.

Against this Beauharnois has outstanding nearly $76 millions of fixed capital obligations for which the Government is expected to assume responsibility when the property is taken over.

Two Main Points

Conversation between the Government and company representatives is expected to centre around two points—(1) actual capital invested in the property to date, and (2) value of the owner's equity.

Where discussions are likely to be drawn out is in establishing a value on Beauharnois common stock, the 715,779 shares of which are carried on the books at $4 millions. Most of this stock is owned by Montreal Light, Heat and Power Consol.

Has Potential Value

The book value is generally regarded as not representing the true value of the stock. In unofficial quarters values of as much as $10 to $25 a share have been placed on this stock.

Beauharnois, as an actual and potential source of power for Montreal Power, is an asset of considerable value to the parent company.

Holds Big Asset

Beauharnois holds control of one of the most important power sites on the St. Lawrence River, capable of developing 2 million h.p. if the whole flow is utilized.

At present the company has the right to divert 83,072 c.f.s. of water into the canal leading to its power house, in which are installed 11 generating units capable of developing 55,000 h.p. each. Of these units six were set up for 25 cycle power, to supply Ontario Hydro, and five for 60 cycle power to meet the needs of Montreal Power and other customers in the Montreal area.

Two more units are being installed. They are expected to be hooked in by the end of this year or very early in 1942.

Further Sums Involved

To utilize fully the existing installation and the two units under construction, the company has been spending a large sum on making available an additional water flow. This involved deepening the canal and erecting remedial works in the main bed of the river. This auxiliary work will be completed before winter.

With all units installed and allowing for a standby unit, Beauharnois will have available on a firm power basis around 650,000 h.p. The company has no retail distribution system, all output being sold wholesale to Ontario Hydro or Montreal Power and in large blocks to industrial users.

Curbs Planned For Poaching Of Labor

(Continued from page 1)

transferring men from one part of Canada to the other in order to fill war jobs, but also responsibility for easing the war from a peace to a war economy. Canada has never had a full-fledged employment service such as other countries consider the foundation of an effective labor policy and the new service is intended under the Unemployment Commission aegis to become a potent factor in Canada's industrial relations programme.

Many Employers in Default

The new Unemployment Insurance scheme, which will affect between 2.5 and 3 million workers, is rapidly rounding into shape. So far the bulk of wage-earners under the Act have been registered by their employers but there are still possibly 100,000 or more employers (mostly those employing one or two persons in small stores, etc.) who have not complied with the law requiring registration. Under the Act such employers are liable for their own and for the contribution of their employees as well if they fail to collect the requisite amount on behalf of the Commission.

Since the Act was drawn up and became law last year, but a few exceptions have been made to withdraw certain types of workers from its provisions. These "excepted" groups are:

1. Seasonal employees in canning or processing food plants operating on a seasonal basis and which it is known will not operate for more than 15 weeks within each year.

2. Temporary employees engaged in Federal, provincial or municipal elections.

3. Persons engaged less than four hours a day.

4. Temporary employees of carnivals, circuses, exhibitions, racetracks where employment will not be for more than 15 weeks.

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Serving Canadians and their institutions in every section of the community we invite you to discuss YOUR banking requirements with us.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service... *the Outcome of 123 Years' Successful Operation*

A124

CAREFREE HOLIDAYS

IF YOU ARE INSURED WITH

THE **GENERAL ACCIDENT GROUP**

357 BAY ST., TORONTO

Rationing of Familiar Items Likely Soon

(Continued from page 1)

under way to establish "priorities." Nickel will not be available henceforth for plating. No decision as to coinage, but adequate stocks of nickel are reported on hand at the mint.

Rubber: About 40% of total requirement now going into war industry. Civilian curtailment imminent in Canada in conjunction with newly established U.S. control, unless shortage of shipping can be alleviated.

Lead: Restriction for non-war use forecast.

Anti-freeze: Some trade names likely to be "sacrificed" through lack of available raw materials for civilian use.

Collapsible Tubes (e.g. toothpaste tubes): Rationing programme under way.

Tin Cans: Negotiations now pending with canning industry to ascertain minimum amount of tinplating which can be used without jeopardizing health.

Chromium: Giving more and more anxiety.

Double Steel Output

Discussion of Canada's basic steel production revealed that it was exactly a year ago that a steel controller had been appointed at Ottawa. Average production of ingot tons in the six years 1932-38 had been 1.2 million tons. By May of this year actual output had been pushed to 2,350,000 tons with an average for the year of 2,750,000 tons anticipated.

For 1942 it seemed likely that Canadian mills would reach the "surprising" total of three million tons. Production of alloy steel had been increased five fold, all from existing plants.

No rigid regimentation had been put into effect heretofore, the honor system working through tentative control policies. From now on the warning was given that rigid regimentation could scarcely be avoided. An essential difference between Canadian and U. S. approach was indicated. The U. S. moved almost immediately to set up a rigid list of priorities, etc. In Canada this is the last, not the first, resort.

Estimated consumption in Canada for 1941 was placed at 3.1 millions, of which certain items must be imported from the United States. The extent of further Canadian restriction for civilian use will depend in large measure on the extent of Canada-U.S. co-operation.

Ignore Future Headaches

One significant fact brought out in discussion was that Canada has now abandoned entirely her attitude of limiting steel production by considerations of Canada's post-war situation. Originally our proximity to the U. S. and the tempo of war activity excluded consideration of steel development which would not be available by 1941. Today the programme is to do whatever is necessary, as quickly as possible, irrespective of possible post-war headaches.

The editors were vastly impressed by what had been done in the pulp and paper industry to utilize idle machine tool capacity, release tool makers and machinists for war work and create new and better ways of doing things. They were told that under the leadership of E. M. Little, Director of Technical Personnel some 30 "maintenance" machine shops in Canadian pulp and paper plants were now working eight hours a week on regular peacetime work and 16 hours a day on war work. The contribution of this industry alone to war bottlenecks (mostly in the aircraft industry) was equivalent to over $10 millions of production.

The industry was at the same time also training men so as to relieve skilled toolmakers for other war work.

Double Tool Capacity

By full utilization of all normal peacetime maintenance machine tool capacity from other industries (mines, public utilities, oil refining are now being organized the same as pulp and paper) it is believed that the effective machine tool capacity of Canada can be doubled.

In addition, these shops have revolutionized ways of doing things. "Tough" jobs have been taken from aircraft plants and when these outside machinists found existing procedure "too complicated" they have set to work to do the job more efficiently and cheaply than ever before.

The editors were warned that Canada for the first time was facing the threat of a labor shortage. For the first time there is a falling off in men available for training in war industry. Older men are being used and dilution of industrial employment with women was definitely forecast.

Many examples were given the editors of commodities which Canada was producing so successfully that surplus amounts were now available for export to the U.S. Some of these were items now rolling out from Canada's immense new $100 millions chemical and explosive expansion programme.

C. P. Net in May At New High

Five Months Total Increases $6.1 Millions to $15.9 Millions

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports net earnings of $4.2 millions in May, compared with $2.5 millions in the same month last year. The May, 1941, figure is the highest for this month on record.

Gross income for the five months ended May 31 totalled $81.3 millions, an increase of $20.2 millions over the corresponding period of 1940. Working expenses increased by $14 millions to $65.5 millions, leaving net earnings of $15.9 millions, compared with $9.7 millions in the same period last year.

Operating Expenses

May:	1941 $	1940 $
Gross earnings	19,276,671	13,511,521
Less: Oper. exps.	15,094,852	11,047,137
Net earnings	4,181,819	2,464,384
Five Mos. end. May 31:		
Gross earnings	81,344,121	61,192,964
Less: Oper. exps.	65,492,731	51,480,012
Net earnings	15,851,390	9,712,952

Blue Top Brewing Listed on Toronto

Stock of Blue Top Brewing Co. was called for trading on the Toronto Stock Exchange as of Wednesday, July 2, 1941. Both classes of stock, the class A 6% preferred of $10 par value, and the no par value common, are included in the listing. Outstanding are 18,200 shares of the A stock, 38,207 shares of common. Ticker symbol will be **BLU**.

Gross operating profit in the fiscal year ended Dec. 31, 1940, rose to $876,127 from $776,178 the year before, but higher taxes brought a drop in net profit to $6.37 per preferred share against $11.49 in 1939. Regular dividends of 60 cents per annum have been paid half-yearly on the preferred, no payments as yet on the common.

Blue Top Brewing was founded as Huether Brewing Co. under Dominion charter in 1927. At its Kitchener brewery 130 persons are employed in the production of beer, ale and porter.

International Holdings Elects New Directors

From Our Own Correspondent

MONTREAL.—Col. Allan A. Magee, K.C., A. B. Brody and Donald Forsyth were elected directors at the annual meeting of International Holdings Ltd.

J. Stevenson Fry was appointed assistant secretary and assistant treasurer at the directors meeting.

TWO HEADS ARE BETTER THAN ONE

Some people do not seek advice, but the majority like to discuss their affairs at times with someone in whom they have confidence. They realize that something can usually be gained through an outside opinion. Our Managers invite confidential discussion of your business plans and problems.

All Banking Services are Available to You and Your Active Use of Them Will Be Welcomed.

• • • •

Budget your income through your Bank Account.

The Furtherance of the War Effort has a first call on the Bank's services and support.

SAVE LEND TO CANADA

The BANK of NOVA SCOTIA

EST'D. 1832—OVER A CENTURY OF BANKING EXPERIENCE

Gain of 36% is Shown In Urban Building

Volume of urban building in Canada so far this year is 36% ahead of the same period of 1940, as a result of a further gain of 20% in May over the same month last year. Report of the Dominion Bureau of Statistics on building permits issued in 202 municipalities shows total value in May was $16,572,356, compared with $13,847,046 in May, 1940. In the first five months permits totalled $51,370,878, against $37,614,530 in the same months of last year.

INVESTORS—

A Canadian Mining Enterprise, definitely interested in Mine Making, without the usual impediments attached to initial financing, seeks investors interested in the possibilities of ultimate large Capital Returns.

The eruptive vein system has been surveyed for a length of over two thousand feet. Numerous assays prove existence of worth-while values. Indications point to SUCCESS. Enquiries solicited. Address communications to: "Investor": c/o Financial Advertising Co. of Canada Limited, 226 Bay Street, Toronto, Ont.

Here Come Stalin Pals To Get on Bandwagon

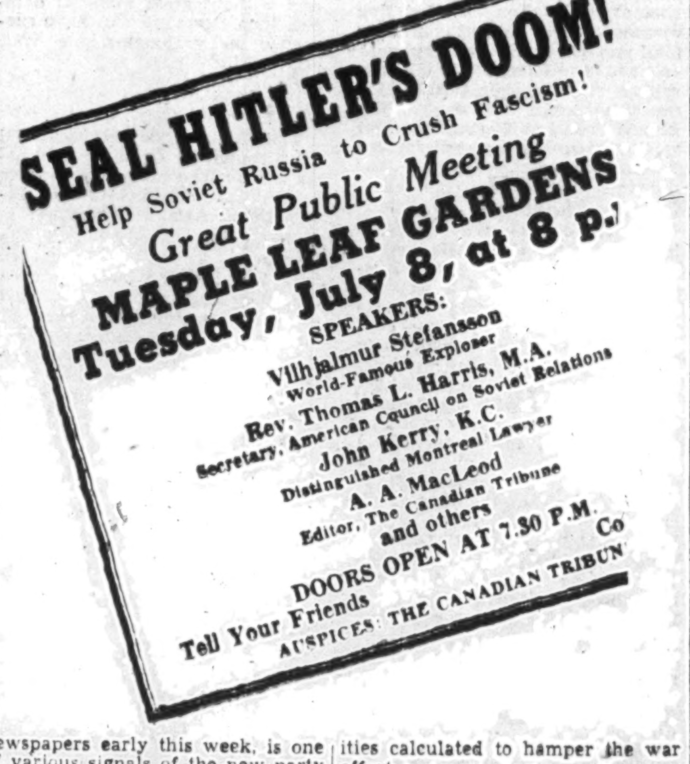
Tactics of Communist and "fellow-traveller" groups in Canada, as elsewhere throughout the world, have been abruptly switched for the second time in two years by the Nazi invasion of Russia. Already the general policy and war attitude of Red auxiliaries have been hastily reversed, in line with Moscow's renewed discovery that the Nazis are a menace—and that it all depends whose ox is being gored.

The advertisement reproduced herewith, which appeared in Toronto newspapers early this week, is one of various signals of the new party line. The "imperialist war" against Germany that Communists were previously trying to sabotage has now become for leftist sympathizers a crusade to help the "Soviet fatherland" crush Hitler.

The inspiration for the rally advertised above may be gauged from the fact that A. A. MacLeod, editor of the Canadian Tribune and promoter of the meeting, was formerly secretary of the Canadian League for Peace and Democracy. This "false front" offshoot of the Communist Party of Canada was outlawed under war regulations along with the party and various other auxiliaries.

Since the war started, Mr. MacLeod has been editing the Canadian Tribune as a purported journal of "liberal" opinion. Not long ago its opinions became so liberal that it was suspended for three weeks, under wartime powers, to check activities calculated to hamper the war effort.

The character of the American Council on Soviet Relations, whose secretary is to speak at the meeting, may reasonably be inferred from the organization's name. Another speaker, John Kerry, K.C., is a former Montreal alderman who is honorary president of the Civil Liberties Association of Canada.



SEAL HITLER'S DOOM!

Help Soviet Russia to Crush Fascism!

Great Public Meeting

MAPLE LEAF GARDENS

Tuesday, July 8, at 8 p.

SPEAKERS:

Vilhjalmur Stefansson
World-Famous Explorer

Rev. Thomas L. Harris, M.A.
Secretary, American Council on Soviet Relations

John Kerry, K.C.
Distinguished Montreal Lawyer

A. A. MacLeod
Editor, The Canadian Tribune

and others

DOORS OPEN AT 7.30 P.M.

Tell Your Friends

AUSPICES: THE CANADIAN TRIBUN Co

GatineauPower Net Declines

Higher Tax Provision Leaves Share Profits Under Dividend

From Our Own Correspondent

MONTREAL. — Gatineau Power Co.'s gross income for the first quarter of 1941 showed moderate increase, but a sharp advance in provision for income and excess profits taxes reduced net profits available for dividends to $442,331. This compared with $548,526 a year ago. As a result earnings on the common stock amounted to only 14½ cents a share, as against 21 cents a share a year ago and comparing with dividend requirements of 20 cents a share.

Income from all sources in the three months ended March 31 totalled $2,371,868, as against $2,336,450 for the like period last year. The only major change in prior charges is the provision for income and excess profits taxes which advanced to $402,270, compared with $256,248 last year.

Comparative figures in the consolidated income and surplus account for the quarter follow:

Cons. Income and Surplus Account
Three Months Ended March 31

	1941 $	1940 $
Gross income	2,371,868	2,336,430
Less: Gen. expenses	234,219	222,961
Maintenance	43,718	39,052
Taxes	402,270	256,248
Net income	1,691,664	1,818,189
Less: Bond interest	588,119	588,220
Debent. interest	209,280	207,272
Loss on exchange	109,381	126,771
Depreciation	300,000	300,000
Bond discount	42,652	47,400
Net profit	442,231	548,526
Earned on common	14½c	21c

Stock Exchange Averages

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
July 1	Holiday			
June 30	88.34	98.01	62.83	17.30
June 28	88.19	98.03	62.77	17.28
June 27	88.10	97.79	62.51	17.28
June 26	87.98	98.07	62.18	17.31
June 25	88.27	97.65	62.23	17.36
Month ago	86.06	96.21	59.82	16.84
Year ago	86.00	76.47	57.44	18.54
High, 1941	103.48	109.76	69.33	21.62
Low, 1941	85.87	96.68	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cnd.	10 Pprs.	15 Golds
July 1	Holiday				
June 30	44.5	55.2	52.0	60.17	69.54
June 28	44.3	55.7	51.9	60.77	69.66
June 27	44.5	56.0	52.1	59.99	69.74
June 26	44.4	56.0	52.1	60.67	69.66
June 25	44.2	55.8	51.9	60.74	69.70
Month ago	43.2	53.6	50.2	60.77	71.78
Year ago	51.2	57.2	55.2	70.08	57.44
High 1941	54.3	66.4	62.3	82.25	79.99
Low 1941	42.1	52.2	49.3	58.97	69.54

Dominion Rubber Co. Forms New Division

A new division to be known as Naugatuck Chemicals Ltd. will be established by Dominion Rubber Co. at Elmira, Ont., P. C. Jones, president, announces.

The new division will produce aniline oil, used in war production, accelerators and other chemicals used in the rubber industry.

NORTH BRITISH

SUPERCHARGED

For EXTRA Length!

Perfected Product of Scottish Skill

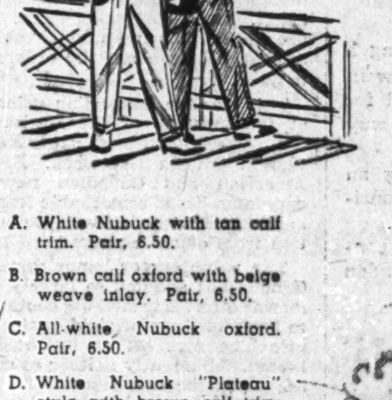
The super-charged semi-liquid core of North British Balls expands internally after manufacture . . . increasing tension which puts extra yards on your drives!

A combination process of hand and mechanical winding ensures perfect balance and flight. Top-spin, back-spin — North British Balls respond to every touch.

NORTH
IMPORTED FROM SCOTLAND
BRITISH

North British Rubber Co. Ltd.
281 King St. W. Toronto, Ontario

In step with the season



THE Store For Men presents a grand line-up of shoes for Summer . . . shoes that combine superb workmanship, careful attention to every stitch and tiniest perforation, with excellence of design and color. The variety is outstanding; prices are moderate. Choose your Summer shoes now!

A. White Nubuck with tan calf trim. Pair, 6.50.

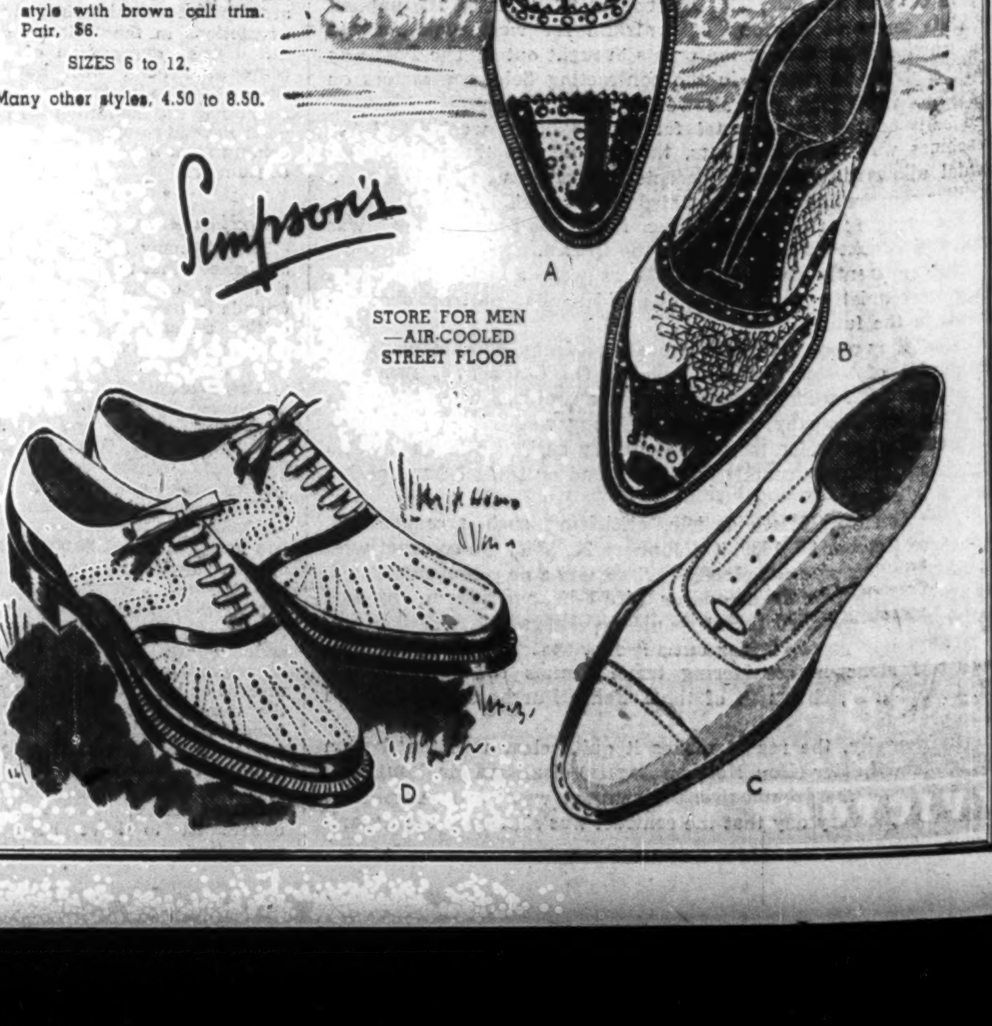
B. Brown calf oxford with beige weave inlay. Pair, 6.50.

C. All-white Nubuck oxford. Pair, 6.50.

D. White Nubuck "Plateau" style with brown calf trim. Pair, $6.

SIZES 6 to 12.

Many other styles, 4.50 to 8.50.



Simpson's

STORE FOR MEN —AIR-COOLED STREET FLOOR

London Calling

By Atticus

Historic Baptism for New Meeting Place of House of Commons — Two Pekingese (Lindbergh and Wheeler) Snapping at the Moon

LONDON.—The scene in the substitute House of Commons when Mr. Churchill announced the sinking of the Bismarck was perhaps the more dramatic because of its lack of theatrical form. The Prime Minister, carefully considering his words, told us all that he knew about the finding and maiming of the German ship, but he could not announce that it was sunk. Apparently he had expected the news to arrive. If so he was disappointed, and ended his narrative with the words: "Although there is shade as well as light in this picture, I feel that we have every reason to be satisfied with the outcome of this fierce and memorable encounter." So he sat down. Three or four desultory questions were put to him, and then we turned to the issue of conscription for Northern Ireland. Here again Mr. Churchill let the steam out of the boiler by saying that it would be more trouble than it was worth to enforce such a policy. At this the trek from the Chamber to the smoke-room began. The House thinned although Mr. Churchill still sat in his place.

* * *

The Climax

Then came the climax like a delayed bomb. Brendan Bracken, who had been on the look-out, thrust his way toward the Front Bench with the excitement of Kurneval announcing to Tristan that Isolde's ship had been sighted. In this case, however, it was the tidings that Hitler's ship had gone down. Mr. Churchill looked at the message, but hesitated to break in on the M.P. who was on his feet. At last, however, he rose and with a bow to the Speaker said:

> I do not know whether I might venture with great respect, to intervene for one moment. I have just received news that the Bismarck is sunk.

The audience was not a large one, but, to use a phrase beloved of local chairmen, made up in enthusiasm what it lacked in numbers. It was a great moment and a historical baptism for the substitute Commons.

Ivone Kirkpatrick told me at lunch that Hitler stayed with Prince Otto von Bismarck for the launching of the ship that bore his grandfather's name. At the time of the launching young Bismarck was in high favor with the Fuehrer and won much acclaim by having so distinguished a guest at his estate near Hamburg. According to Kirkpatrick there developed a dispute later on between Bismarck and Ribbentrop, with ourselves as the innocent cause. Ribbentrop held that the British were degenerate and would be no good if they fought. Bismarck said we were degenerate but would fight like tigers. The result was that Bismarck went into a political decline from which he has not recovered.

Kirkpatrick's cameo portraits of the Nazi leaders are incisive gems. "Hitler," he says, "is the most evil man I ever met. His presence in a room creates a cold, repulsive atmosphere of sheer evil." Did we talk of Hess? Well . . . I did. As he had spent many hours interrogating our air-borne guest, Kirkpatrick was deeply interested in my explanation of the whole thing.

* * *

At 8 a.m.

So seldom is the B.B.C. praised that I should like to pay tribute to its admirable 8 a.m. broadcast on the morning following Mr. Roosevelt's speech. The President's words had been recorded and after a few minutes of summary one heard his actual voice. And perhaps there never was a speech in which it was so necessary to hear the tone used in its delivery. No judge has ever condemned a criminal in the dock with such scorn, and such determination that the punishment should fit the crime. And if any people thought his phrases were legalistic and indeterminate, they should have heard his voice rise to a climax as he announced that the delivery of American supplies to Britain could be assured and would be. The effect on the American people could only have been electric. The subsequent utterances by Senator Wheeler and Mr. Lindbergh must have seemed like the snapping of two Pekingese at the moon.

Some day we in this country will have to find a permanent expression of gratitude to the Roosevelts of America. "Teddy" was the most unchanging friend to Britain, even though we made him ride in a carriage behind the least important European royalty at Queen Victoria's funeral. Nor was the good he did interred with his bones. In his famous troop of rough-riders there was a man called Knox who imbibed the spirit of his leader. That is the self-same Colonel Knox who defied his own Republican Party to join the present administration as head of the Navy.

When "Teddy" Roosevelt conducted his famous anti-trust campaign he had the assistance of a young lawyer named Stimson. Today Mr. Stimson is another Republican who joined President Roosevelt's administration as head of the Army.

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Two dozen U. S. business paper editors, the "cream of the crop," representing the most influential trade journals in the United States and Canada, met at Ottawa last week to get a bird's eye view of Canada at war. These editors represent the National Editorial Conference of the A.B.P. (Associated Business Papers). Last October they came to Canada for the first time to hold an editorial round-table at Ottawa. It was so successful that they came back again last week. Here at lunch they listen to British Naval Officer Captain E. S. Brand, director of Canadian Naval Intelligence.

C. P. R. Retirements in 1941 Cover $42.3 Millions of Capital

From Our Own Correspondent

MONTREAL.—Unlikelihood of the Canadian Pacific Railway taking any action to pay a dividend on the ordinary shares is apparent from the heavy programme of capital obligations to be retired this year.

Nearly $43 millions is involved. Inasmuch as financial markets have been and will be largely occupied with government financing, these retirements will have to be taken care of out of cash assisted by temporary bank borrowings.

Over $36 Millions Retired

To date the company has retired all its outstanding 20 year 4½% sinking fund secured note certificates to the face value of $18,473,100; $1 million of 3% collateral trust bonds; $15 millions of 2½% collateral trust bonds, and has made payment on several equipment trust serial obligations.

Face value of securities retired to date this year amounts to $36,921,875.

Between now and the end of the year the C. P. R. will have to dig up another $5,451,770 to cover payments due on equipment trust obligations. Some of these are payable in American funds, so that the actual amount involved in Canadian dollars will be somewhat larger than indicated.

There is no means of knowing just now the extent to which the company has drawn or intends drawing on cash to meet these obligations. It is understood the company has arranged for temporary bank borrowings to finance these deals, though a goodly proportion of the funds involved comes from the company's own treasury.

Since the start of the war the company has been following the conservative policy of husbanding its cash. At the annual meeting in May, Sir Edward Beatty's statement drew attention to the fact that in 1940, $29,929,680 of capital obligations had been retired without refunding. Further it was stated bonds, notes, etc., to the amount of $114 millions will mature before the end of 1946 and for that reason a substantial part of cash income will be retained as a safeguard.

Set Minimum Price For Nfld. Salt Cod

Newfoundland Fisheries Board and Salt Codfish Association have reached an agreement on the minimum price guarantee. Price of No. 1 Labrador semi-dry has been pegged at $5 a qtl., an increase of $1.50 a qtl. over last year's guarantee.

Approval of the membership of the Salt Codfish Association has now to be obtained before the plan can be put into operation.

Minimum prices for other grades of fish have also been established, but it is emphasized that these are only minimum prices and if the market maintains itself, considerably higher prices might be paid.

Dominion Succession Duties

With the recent enactment of a Succession Duty Act by the Federal Government, it has become more important than ever that your executor should be thoroughly familiar with Succession Duty and Income Tax laws.

National Trust Company, with over forty years' experience in estate administration, maintains a special department to deal with Succession Duties and Income Taxes. In naming National Trust Company your executor, you can be sure that the pitfalls and penalties of inexperience will be avoided.

Write for free booklet on *Dominion Succession Duties*

NATIONAL TRUST COMPANY, LIMITED

TORONTO MONTREAL HAMILTON WINNIPEG EDMONTON

Keeping Posted . .

By J. C. KIRKWOOD

If you wish to send parcels of food to friends in Great Britain you are likely to welcome the instructions in an article in the July issue of Chatelaine by Dr. Elizabeth Chant Robertson. Some of her suggestions are: butter packed in tins; cheese; bacon; tinned corned beef, pork, tongue and chicken; meat and fish pastes; dried milk powder; chocolate bars; tea and sugar; peanut butter. It is cheapest to send your parcels by post, at a rate of 19 cents per lb. A 5-lb. parcel sent by express would cost for carriage $1.51. Dr. Robertson's article is filled with the very kind of information many parcel-senders need and want.

Thermos Bottle on Wheels

The Firestone Co. operates a fireless engine! This 31½-ft. engine stores up enough steam power in 15 minutes, utilizing exhaust steam from the company's electric power plant, to keep it switching railroad cars around the plant for three hours. This fireless engine, which maintains its heat like a fireless cooker, can attain a speed of 16 miles an hour with 10 loaded cars. The engine has been described as a 78-ton thermos bottle on wheels.

* * *

Blackout Lighting

Blackouts have been a challenge to lighting engineers. In Great Britain there came an emphatic call from factory workers for improved lighting conditions: daytime workers found themselves on a pseudo night-shift through the exclusion of daylight. Complaints were heard of sore eyes, headaches and irritability, and production fell off. The great value to visibility in the use of paint, adequately and suitably applied, has been discovered in a large way. Blackouts have made lighting a new problem. How it is being solved is told by Frank T. Groome, manager, the Holophane Co., in Modern Power and Engineering.

* * *

Want to Live?

If you want longevity, attach yourself to the hardware business. This is based on a compilation made by W. S. Leslie, president, A. C. Leslie & Co., wholesale hardware, Montreal. The firm has just had its 75th birthday anniversary—celebrated at a banquet at the Windsor Hotel, when 120 leaders and veterans of the hardware, iron and steel industry of Canada were the guests of the company. In the list as compiled by Mr. Leslie are the names of 60 Canadian men whose connection with the hardware trade has run from 50 to 69 years. W. S. Leslie, himself, has been with his firm for 56 years.

* * *

Piles of It

Your grocer is learning new things about you. He is learning that if he exposes a product to your eyes in a massive display, you'll buy it—impulsively. By using an "open display" of the contents of 19 cases of a particular soap powder, a grocer more than doubled his sales.

* * *

Paint Problem

It takes a great war to show us the importance of many commodities which in peacetime may be quite outside the field of our interest or concern. Zinc is one. Today Canada is being called on to deliver to the British a billion pounds a year of copper, lead and zinc, as well as a large additional tonnage of nickel and aluminum. Canada's available supply of zinc has begun to dwindle, and paintmakers must reduce their use of zinc oxide. There will be less zinc for use in galvanizing, dye castings, rubber and ornamental brass. This matter is dealt with in the June issue of Canadian Paint and Varnish Magazine.

"Silly me! For years I was saying 'yes' to the old-fashioned idea (pretty prevalent around our office) that all typewriters are just about the same. What a surprise I got when I tried a new Royal!"

THE ROYAL IS DIFFERENT! Typing is faster . . . better . . . easier — thanks to MAGIC* Margin, Touch Control*, Locked Bob-less Shift and many other *exclusive* Royal improvements. There's less eyestrain, too, with Royal's "No-Glare", streamlined finish . . . less fatigue . . . all of which means more all-round efficiency.

LESS EXPENSE for maintenance is another outstanding Royal achievement . . . and that means lower over-all operating costs!

THE REASONS? Well, Royals are made only from the finest materials, by men who devote their whole time . . . and their whole skill . . . to making typewriters—and *nothing else!* Finally, every Royal that leaves the factory is inspected and re-inspected until pronounced perfect!

PROVE ROYAL'S CLAIMS for yourself . . . ask for a free "Desk Test" of a new Royal. And mail the coupon for your copy of Royal's helpful booklet "How to Make Every Letter Better".

*Trade Mark.

ROYAL STANDARD and PORTABLE TYPEWRITERS

Made in Canada by Canadians - for Canadians

"How to Make Every Letter Better" is full of helpful information for secretaries and executives. Send for a copy.

Royal Typewriter Co. Ltd., Dept. P
Factory and Head Office,
7035 Park Ave., Montreal.

Please send me a free copy of "How to Make Every Letter Better", I incur no obligation.

Name..........

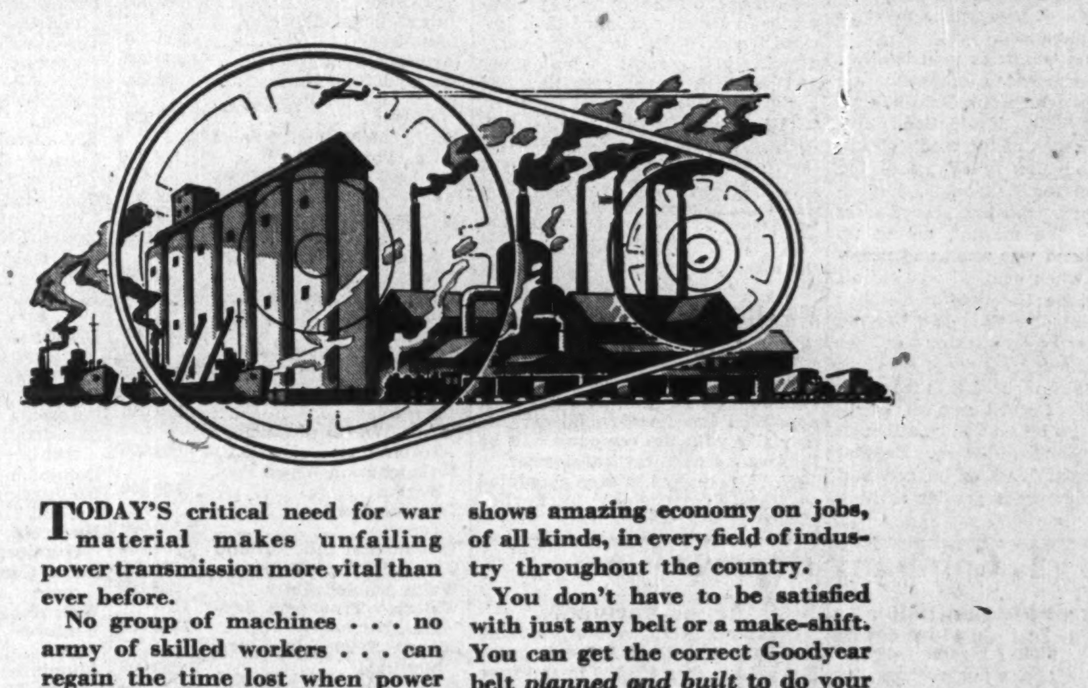
Address..........

Firm.......... 138

BUY WAR SAVINGS CERTIFICATES AND WAR SAVINGS STAMPS

In the RACE Against TIME . . .

UNFAILING Power Transmission IS VITAL!



TODAY'S critical need for war material makes unfailing power transmission more vital than ever before.

No group of machines . . . no army of skilled workers . . . can regain the time lost when power transmission fails. In the *all out* race against time alert manufacturers dare not risk letting unknown, unproved, "fifth-column" belting throw their important effort behind schedule.

No guesswork . . . no risk . . . no chance . . . is involved when Goodyear belts are selected to keep wheels turning.

These famous belts are backed by an enviable record of doing a job better and longer than any comparable belt. A record that shows amazing economy on jobs, of all kinds, in every field of industry throughout the country.

You don't have to be satisfied with just any belt or a make-shift. You can get the correct Goodyear belt *planned and built* to do your job, better, longer and at lower cost . . . no matter what its use . . . no matter what conditions it has to meet.

That's why plant engineers everywhere say . . . "It's cheaper to buy Goodyear belts, because, in the long run . . . Goodyears cut lost time to a minimum, cost less!"

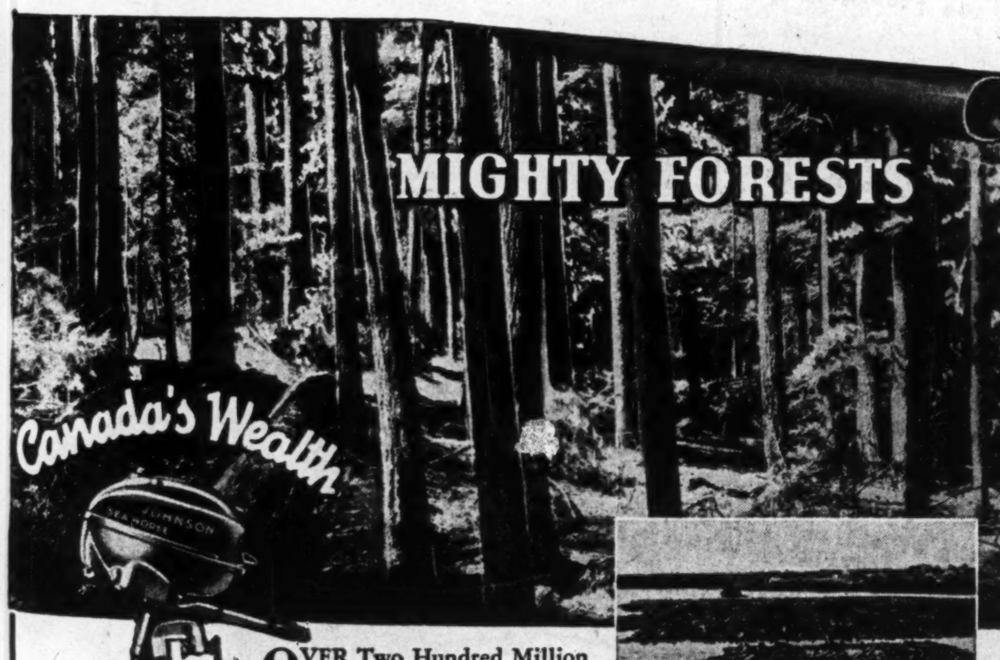
For complete information on any belting problem . . . power transmission, conveyor, elevator . . . write Goodyear, New Toronto, Ontario.

GO GOODYEAR

and keep wheels turning

6712

GOODYEAR TRANSMISSION BELTS



OVER Two Hundred Million Dollars ($200,000,000.00) will be added to Canada's National Income in 1941 by the wealth of her forests, which cover the vast watersheds of the Dominion from Coast to Coast. Forest products not only supply valuable material for domestic use, but yield a surplus for export trade—Foreign Exchange. Future generations are assured of this great National Income; because scientific conservation, regular reforestation and constant fire protection are utilized to the utmost.

The Forester and Fire Ranger, skilled in knowledge, are on constant "alert patrol", travelling the interlacing waterways through these great areas. For forest fire protection, the Johnson-Tremblay Centrifugal Fire Pump is recognized for its Efficiency and Portability: and for the water transport of supplies, equipment and personnel, the Johnson Sea-Horse Outboard Motor renders Dependable, Economical, Speedy Power with Long Life and Serviceability under the most difficult conditions.

A Canadian Product with Sales and Service Across Canada.

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BUILDERS OF PRECISION PRODUCTS

VICTORY BONDS ARE GOOD SECURITY.

Investment Trends

War in Russia Said To Hold Market Key

Attention Drawn to Attractive Yields Offered By Seasoned Canadian Stocks as Offset to Higher Taxes

What happens to stock markets over the next few weeks appears to boil down to how successful the Russians are in holding back the German attack. If Germany can clean up Russia in the four or five weeks that it has set as its schedule, then opinion is that there is little for stock markets to get enthusiastic over. But if Russia does hold out, then opinion just as widely held indicates a greatly lessened chance of invasion of Britain and increased likelihood of an early German defeat. In any case, the Russian move postpones the expected British invasion attempt.

Outside of the influence of the war in eastern Europe, the fact of relatively high income returns, in most cases supported by adequate earning power, is there for investors to see. Seasoned stocks are yielding from 5% to 8% on the basis of current dividend rates and prices. Income on this scale seems much more able to support prevailing high rates of personal income taxation than from 3% bonds. Experienced brokers are talking yields today and pointing out to clients that this income factor strengthens the argument that capital should be divided to include both stocks and bonds.

* * *

Inflation Influences

There are factors present that could provide the stimulation needed to start an upward trend of stock prices. One of these is a price inflation, more than one sign of which is evident in Canada and the United States. The latter country is apparently heading for a period when even its tremendous productive capacity cannot meet civilian needs plus defense needs plus aid to Britain. It is at such times that a real inflation can readily get started unless controls are unusually strong and well handled. Whether the latter is the case is not at all clear.

* * *

Bacon Packers

Any fears farmers or meat packers might have had that there would be a glut of hogs on the Canadian market this fall apparently have been ended. It is true that Canada should this fall market a record volume of hogs but they will all be needed, all the surplus, and more if available, for sale to Britain.

Overseas markets will take all that can be processed and shipped. Since the supply of hogs is likely to reach a record level, this means that packing companies such as Canada Packers, Burns & Co., and Wilsil, in which the public is interested, should have a high rate of operations continue. With assurance of a good volume of business, it can probably be assumed that these companies will have operating earnings on a satisfactory scale but what will be available for shareholders after taxes is another question.

* * *

Easing Pressure

Pressure on New York stock markets should be relieved by the likelihood that liquidation for British account will end, or at least be substantially slowed up, with the putting in force of the recently announced plans for a Reconstruction Finance Corporation loan. Such a loan would be secured by British holdings of United States securities and the British direct investment in the United States, it is expected. It would probably amount to some hundreds of millions of dollars.

Already this year there has been evidenced a marked slowing down of British liquidation, perhaps in anticipation of just such a move as the one announced.

Generous tribute is paid by New York investment sources to the manner in which the British have handled their liquidation programme. Much of the credit of this goes to the man in charge of the liquidation for Britain, T. J. Carlyle Gifford, who has geared sales closely to the market, easing up when demand was weak and pressing sales when demand was strong. Moreover, he has used more than one method of selling and has not relied directly on sales on the floor of the exchange.

The significance of this from the standpoint of stock market trends is thought to be favorable, although perhaps only mildly so. Federal authorities at Washington are said to favor somewhat greater activity in security markets.

NEW MANAGER

Philip N. Cooke has been appointed manager for the Norton Co. of Canada Ltd., Hamilton, succeeding the late R. C. Douglas. Mr. Cooke has had long experience, having been sales manager for many years. He is a graduate in mechanical engineering of Worcester Polytechnic Institute.

Payment Likely On Brazilian

Payment of a dividend on the common shares of Brazilian Traction is possible before the end of the year according to Hon. G. Howard Ferguson, who presided at the company's annual meeting. The disbursement will depend on continued remittances from Brazil, and permission of the Foreign Exchange Control Board.

Moderate allotments of foreign exchange have been coming through the Bank of Brazil in recent months, part in sterling, part in dollars. Most of the funds allotted have been remitted.

Two employees of the company, David Smith and George Sanderson, have been elected to fill temporarily the vacancies on the board caused by the deaths of E. R. Wood and Hon. Gordon W. Scott.

Earnings of the operating companies in Brazil continued their upward trend in May, the May figures showing better gains in both gross and net than the average recorded in the first five months of the year.

May:	1941 $	1940 $	Incr. %
Gross earns. ..	3,554,803	3,100,378	14.66
Oper. exps. ..	1,644,727	1,546,141	6.38
Net earns.	1,910,076	1,554,237	22.89
Five Months to May 31:			
Gross earns. ..	16,794,803	15,040,277	11.67
Oper. exps. ..	7,867,728	7,454,341	5.55
Net earns ...	8,927,075	7,585,936	17.68

English Electric Appoints Engineers

English Electric Co. of Canada announces that M. B. Mallett has been appointed transformer engineer. His specialty with the company will be the larger size power transformer.

W. W. Brumby has been appointed assistant plant engineer by English Electric.

Company Reports

Dominion-Scottish

Dominion - Scottish Investments Ltd. reports higher income from its investments and other sources for the year ended May 31, 1941, than for the preceding year. As a result the company was able to pay a total of $2.55 a share on its preferred, reducing arrears to $5.75 a share as at May 31 last.

Balance sheet shows investments at book value of $3.7 millions and market value of $2.8 millions. A year ago book value of investment was about $34,000 less and market value about $100,000 lower. The trust shows a bank overdraft of $24,544 at May 31 this year compared with $4,132 a year ago. Net assets are equivalent to approximately $36 a share on the preference compared with $34 a year ago.

Income and Surplus Account
Years Ended May 31

	1941 $	1940 $
Income	200,518	184,476
Less: Rents, sals., exps.	10,147	10,151
Exec. salary	2,500	2,500
Directors' fees	3,000	3,000
Int., exchange	368	119
Trustee, audit fees ..	2,441	2,423
Net earnings	182,061	166,283
Less: Bond interest ..	40,000	40,000
Income tax	18,156	10,831
Net profit	123,905	115,452
Less: Pref. divds.	125,297	110,556
Surplus for year	*1,392	4,896
Add: Prev. surplus ...	55,123	62,601
Less: Tax adjusts.	1,548	12,374
Surplus forward	52,182	55,123
*Deficit.		
Earned per Sh., Pref. .	$2.52	$2.35
Paid	2.55	2.25
Shares O/s.:		
Preference, $50 par .	49,136	49,136
Common, $1 par	89,153	89,153
Net Assets per Sh., Pref.	$36.00	$34.00

Acme Farmers

Operating profit, before providing for depreciation, of Acme Farmers Dairy Ltd., rose $95,771 in the year ended Mar. 31, 1941, the gain being allotted to increased depreciation reserves. Despite sale of the Hamilton plant, sales volume increased substantially during the year, and operating expenses were lower as a result of the transfer of the Hamilton unit.

At the annual meeting it was suggested that the management consider payment of $3.50 or $4 per share on the 7,000 shares of 7%, $100 par preferred outstanding, which have been in arrears of dividends since Jan. 1, 1933. It was stated that rather than make piecemeal reductions of the arrears balance, the directors would consider plans for the reorganization of the company on a basis that would wipe out arrears and permit resumption of regular dividends.

E. G. Smith of Montreal was elected to the board, replacing Major-General C. B. Price, now in England.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Operating profit	265,069	169,561
Less: Debent. int. ...	49,000	49,000
Exec. remuneration	8,480	8,520
Directors' fees	480	500
Legal fees	325	550
Depreciation	206,676	110,763
Income taxes	21	......
Net profit & surplus .	87	228
Add: Prev. surplus ..	264,058	264,265
Less: Adjust.	......	435
Surplus forward	264,145	264,058
Working Capital	$	$
Current assets	390,211	254,337
Current liabilities	241,674	216,563
Working capital	148,537	37,774

Montreal Trams To Call Meeting

Bond Committees and Company Agree on Plan Covering Default

From Our Own Correspondent

MONTREAL.—First mortgage and general mortgage bondholders of Montreal Tramways Co. will meet shortly to consider an arrangement which has been agreed upon between bondholders committee and the company in respect to the latter's inability to meet the payment of the principal of its first mortgage bonds which were to mature for payment in U. S. funds July 1, 1941.

The general terms of the arrangement involve an extension of the date of maturity of the existing first mortgage bonds until July 1, 1951.

Unofficial reports are the plan provides for establishment of a sinking fund on the first mortgage bonds, amounting to not less than $500,000 a year.

After cancellation of the first mortgage bonds now held by the company, believed to be something like $1½ million, and after operation of the sinking fund until the new maturity, the first mortgage issue should be reduced to a minimum basis of around $14 millions by July, 1951.

Respecting the general mortgage bonds, it is reported the 5% coupon will remain unchanged, but the New York-pay option will be eliminated.

Page-Hersey Tubes Output Sets Record

Page-Hersey Tubes, Ltd., informs shareholders that demand for the company's products for essential war purposes continues unabated. All departments are running at full capacity, it is stated, and new production records are being established. Tribute is paid to the cooperation of the company's employees, in addition to aiding in pushing output to new peaks, have contributed generously to war savings and Victory Bond purchases.

Hinde & Dauch Orders Heavy

Tonnage Up in First Half and Full Scale Operations Expected Last Half

Hinde & Dauch Paper Co. of Canada has a volume of bookings on hand now which assures that the company's plants will be fully occupied during the last half of 1941, it is stated in a letter accompanying current dividend cheques. For the first half of 1941, demand for company's products has been such as to make tonnage of production ahead of the corresponding part of 1940.

The company has experienced some increases in costs but has made no changes in the prices at which it sells its products.

Supply of raw materials is becoming "a little worrisome," it is stated, but no interruption to regular operations is anticipated because of this situation.

As Hinde & Dauch reported at the end of the first quarter of 1941 that there had been a slight decrease in tonnage output as compared with the first quarter of 1940, it appears that operations in the second quarter have been on a better scale.

Dominion Palace Pier To Reorganize

Exchange of bonds of the Dominion Palace Pier Corp. for common stock in a new company to be formed with 300,000 common shares authorized capital has been approved by bondholders. Common shareholders of the old company have no equity. The company does not issue financial statements, but approximately $38,000 of the first mortgage 6% bonds were recently understood to be outstanding, approximately $52,000 of the 7% general mortgage bonds. Some 150,000 shares of new common will be required for the exchange.

Company owns an amusement pier at the Humber River on the Toronto lake front. The pier is now being operated under a lease.

The $500,000 and Over Victory Loan Buyers

Though no official list of the larger subscribers to the recent war loan is available, The Financial Post herewith publishes a list collated from various sources of the firms which co-operated in this big patriotic endeavor by buying $500,000 or more of bonds. While the usual effort has been exerted to make this listing accurate and complete, The Post would appreciate notice of omissions or inaccuracies.

Alberta Depositors Trust .	500,000
Alberta treasury branches	500,000
Asbestos Corp., Montreal	500,000
Austin C. Taylor, Vancouver	500,000
Bank of Montreal Pension Fund, Montreal	500,000
Borden Co., Toronto	500,000
Bralorne Mines, B.C.	500,000
Building Products, Montreal	500,000
Canada Northern Power, Montreal	500,000
Canada Wire and Cable, Leaside	500,000
Canadian Breweries, Ltd., Toronto	500,000
Canadian Cottons Ltd., Montreal	500,000
Can. Fairbanks - Morse, Montreal	500,000
City of London	500,000
Credit Foncier Franco-Canadien, Montreal ...	500,000
Dominion Oilcloth & Linoleum	500,000
Dominion Stores Ltd., Toronto	500,000
Goodyear T. & R. Co., New Toronto	500,000
Harry F. McLean, Merrickville	500,000
International Power Co., Montreal	500,000
Investors Syndicate	500,000
Lamaque Gold Mines	500,000
Les Caisse Populaires, Quebec	500,000
H. R. MacMillan Export Co., Vancouver	500,000
National Steel Car, Montreal	500,000
Northern Life Assurance Co.	500,000
Pacific Mills Ltd., Vancouver	500,000
Peterboro Hydraulic Pwr.	500,000
Quaker Oats Co., Peterborough	500,000
Robin Hood Flour Mills, Montreal	500,000
Royal Bank Pension Fund, Montreal	500,000
Salada Tea Co. of Canada, Toronto	500,000
Saskatchewan Wheat Pool, Regina	500,000
Teck-Hughes Gold Mines, Toronto	500,000
Toronto Star Ltd., Toronto	500,000
Union Gas Co., Chatham .	500,000
Waite Amulet Mines	500,000
Waterloo Trust and Savings, Kitchener	500,000
Canada Steamship Lines, Montreal	550,000
L. G. Beaubien & Co., Montreal	600,000
Bulolo Gold Dredging, Vancouver	600,000
Bell Telephone Employees	600,000
Great Lakes Paper Co. ..	600,000
Ont.-Minn. Pulp & Paper	600,000
Ind. Order of Foresters..	670,000
United Corp., Montreal ..	675,000
Ayers Limited	675,000
Monarch Life, Winnipeg .	700,000
Canadian Celanese Ltd., Montreal	750,000
Dominion Foundries & Steel	750,000
N. A. Timmins family ...	750,000
Hon. Lorne C. Webster & family	750,000
F. W. Woolworth Co., Toronto	750,000
Prov. of Nova Scotia	800,000
Bell Tel. Co. of Canada, Montreal	1,000,000
Britannia Mining & Smelting	1,000,000
British American Oil Co.	1,000,000
B. C. Sugar Refining Co., Vancouver	1,000,000
B. C. Telephone Co., Vancouver	1,000,000
Canadian Car & Fdry. ...	1,000,000
Canadian Kodak Co., Toronto	1,000,000
Chrysler Corp. of Can., Windsor	1,000,000
Coca-Cola Co. of Canada, Toronto	1,000,000
Consolidated Paper Corp., Montreal	1,000,000
Dom. Tar & Chemical Co., Montreal	1,000,000
Excelsior Life, Toronto ..	1,000,000
Falconbridge Nickel Mines	1,000,000
Howard Smith Paper Mills	1,000,000
Hudson's Bay Co., Winnipeg	1,000,000
Inter. Harvester Co., Hamilton	1,000,000
Lake Shore Mines	1,000,000
Lever Bros., Ltd., Toronto	1,000,000
McColl - Frontenac Oil, Montreal	1,000,000
Moore Corp., Toronto ...	1,000,000
National Harbors Board..	1,000,000
Northern Electric Co., Montreal	1,000,000
Ogilvie Flour Mills, Montreal	1,000,000
Page-Hersey Tubes Ltd., Toronto	1,000,000
Powell River Co., Vancouver	1,000,000
Prov. of British Columbia	1,000,000
Simpsons Ltd., Toronto ..	1,000,000
Shell Oil Co., Toronto ...	1,000,000
United States Fidelity & Guarantee Co.	1,000,000
U. S. Fidelity & Guarantee Co., Toronto	1,000,000
Workmen's Compensation Board of Ont., Toronto.	1,000,000
Huron-Erie Mortgage ...	1,100,000
National Breweries	1,150,000
North American Cyanamid Co., Niagara Falls .	1,200,000
Toronto Electric Commissioners	1,250,000
C. N. R. (Inc. Pension Fund), Montreal	1,283,200
Canada Cement Co., Montreal	1,500,000
Canada & Dominion Sugar, Chatham	1,500,000
Canadian Inter. Paper	1,500,000
City of Toronto S. F.	1,500,000
Crown Life Insurance Co.	1,500,000
Montreal Light Heat & Power	1,500,000
B. C. Power Corp., Vancouver	2,000,000
Bronfman Interests & Distillers Corp. - Seagram, Montreal	2,000,000
Canada Packers Ltd., ... Toronto	2,000,000
Canadian Industries, Montreal	2,000,000
Dominion Textile Co.	2,000,000
Hollinger Consolidated Gold, Toronto	2,000,000
Hudson's Bay Mining Winnipeg	2,000,000
Swift Canadian Co., Toronto	2,000,000
West Kootenay Power ...	2,500,000
Ventures Ltd. & associates	2,150,000
Aluminium Ltd. subsidiaries, Montreal	2,500,000
American Can Co., Vancouver	2,500,000
Can. General Electric, Toronto	2,500,000
Cons. Mining & Smelting, Montreal	2,500,000
Dominion Life Assurance, Waterloo	2,500,000
North American Life, Toronto	2,500,000
Ford Motor Co. of Canada	3,000,000
General Motor of Canada, Toronto	3,000,000
Ontario Paper Co. & Quebec North Shore Paper Co., Thorold, Ont.	3,000,000
Province of Quebec	3,000,000
T. Eaton Co., Toronto	3,500,000
Confederation Life Association, Toronto	4,000,000
Imperial Life, Toronto ..	5,000,000
Imperial Oil Co., Toronto	5,000,000
New York Life Insurance	5,000,000
Prudential Insurance Co. of America	5,000,000
Great West Life Assurance, Winnipeg	6,000,000
Manufacturers Life Insurance, Toronto	6,000,000
Noranda Mines & associates	6,200,000
Canada Life Assurance, Toronto	10,000,000
C. P. R., Montreal	10,000,000
International Nickel Co. of Can.	10,000,000
London Life Insurance Co.	10,000,000
Mutual Life Assur. Co., Toronto	10,000,000
Metropolitan Life	20,000,000
Sun Life Assurance Co. ..	20,000,000

Can. Northern Earnings Down

Loss of Lake Shore Contract Felt — Operating Costs Rise

From Our Own Correspondent

MONTREAL.—Earnings of Canada Northern Power Corp. in the current year are running below those of the previous year. Gross in the first five months of the year dropped by $60,652 to $2.1 millions from the same period last year.

Largely responsible for the drop is the fact that Lake Shore Mines Ltd., one of the company's largest customers, ceased taking power May 1 last year. Four months of the current year therefore compare with the same period last year when the contract was in effect.

Operating Costs Up

Operating expenses have also been increasing in the current year. In the five months to May 31 they increased by $32,486 to $1.2 million.

Net earnings for the five months declined by $93,138 to $917,858 from the same period in 1940.

Loss of the Lake Shore contract was evident in results for 1940, when revenue from sales of electric energy dropped by $244,289 to $4.9 millions. Offsetting this drop to some extent, however, was lower costs for power purchased. This charge totalled $1.1 million, $44,103 less than in 1939.

Income and profits tax provision increase to $402,089 from $256,557, while net profit dropped to $848,006 from $1.2 million.

To Lose Noranda

The company expects to lose Noranda Mines as a customer in the current year. Contract with the company expired in 1938 and power is being delivered on a temporary basis. It is expected that the Quebec Government's power project on the Upper Ottawa River will come into operation some time in August, and Noranda will obtain its power from that source.

Loss of this customer will further contract Canada Northern's revenue from power sales. The necessity for purchasing power will be lowered, however, which will offset to some extent the unfavorable effect on earnings.

Traffic Report Ready For Mexico Trams

Report of the Mexican Government commission investigating traffic conditions in the Federal District of Mexico is completed, but recommendations have not been announced, S. G. Cowell, chairman, told shareholders at the annual meeting of Mexico Tramways Co. In its annual report the company stated that conditions on the routes had become serious owing to the inability of the company to maintain rolling stock and track under the high wage system forced by the Government.

R. H. Merry was elected a temporary director filling the vacancy caused by the death of E. R. Wood. Other directors were re-elected.

Plane Workers Vote To Strike

Montreal Aircraft Union Applies for Conciliation of Dispute

From Our Own Correspondent.

MONTREAL. — Workers of aircraft plans in the Montreal area have voted to go out on strike if called upon by Aircraft Lodge No. 712, International Association of Machinists, unless their demands for readjustment in wages, hours and other concessions are met.

The strike vote was called by the union after negotiations between the aircraft companies and union on the workers' demands had fallen through.

There were 4,933 votes cast, it is stated by Robert Haddow, on behalf of the union. There were 4,660 votes in favor of calling the strike, 249 against, and 24 spoiled ballots.

Four Companies Involved

Only Canadian Car & Foundry Co., of the five major aircraft manufacturers in the district, is not affected by the vote. Negotiations were not conducted with this company, but its representative sat in on the talks between the union and aircraft companies. Canadian Car machines parts for aircraft but does not assemble planes in its Montreal plant. It is therefore not considered in the same category as the other four manufacturers: Canadian Vickers Ltd., Fairchild Aircraft Ltd., Noorduyn Aviation Ltd. and Federal Aircraft Ltd. All these companies are working on Government contracts.

Apply for Arbitration

The union has made application for a conciliation board, but does not intend to call a strike immediately. Humphrey Mitchell, chairman of the newly formed Industrial Disputes Inquiry Commission, suggested to the Union that it was not necessary to call the strike vote, and that a conciliation board would be granted without the formality of the vote. The union nevertheless conducted the vote to determine the attitude of the workers,

The workers will await verdict of the conciliation board before taking any action on the vote.

Modified demands of the union call for an overall increase in wages of five cents an hour; a reduction in standard working week from 48 to 44 hours; a closed shop; the same wage scale for women as for men on the same jobs; holidays with pay and other concessions.

S. B. Irelan Joins United Fuel Board

At the recent annual meeting of United Fuel Investments Ltd., S. B. Irelan was elected to the board of directors. He will replace J. A. Richie, who has resigned. Other directors and officers remain the same.

Following the meeting the regular 75-cent dividend was declared on the class A preference stock, payable in Canadian funds on Oct 1, to shareholders of record Sept. 20.

DAMAGE ACTIONS
On The Upgrade

THE steady increase in the numbers of claims for damages sustained in public places shows a need for a corresponding increase in protection against the financial loss involved.

This trend suggests the advisability of checking to see that your public liability insurance coverage is sufficient to protect you against eventualities.

Quick action in revising policies to meet these conditions may avert loss and disappointment later.

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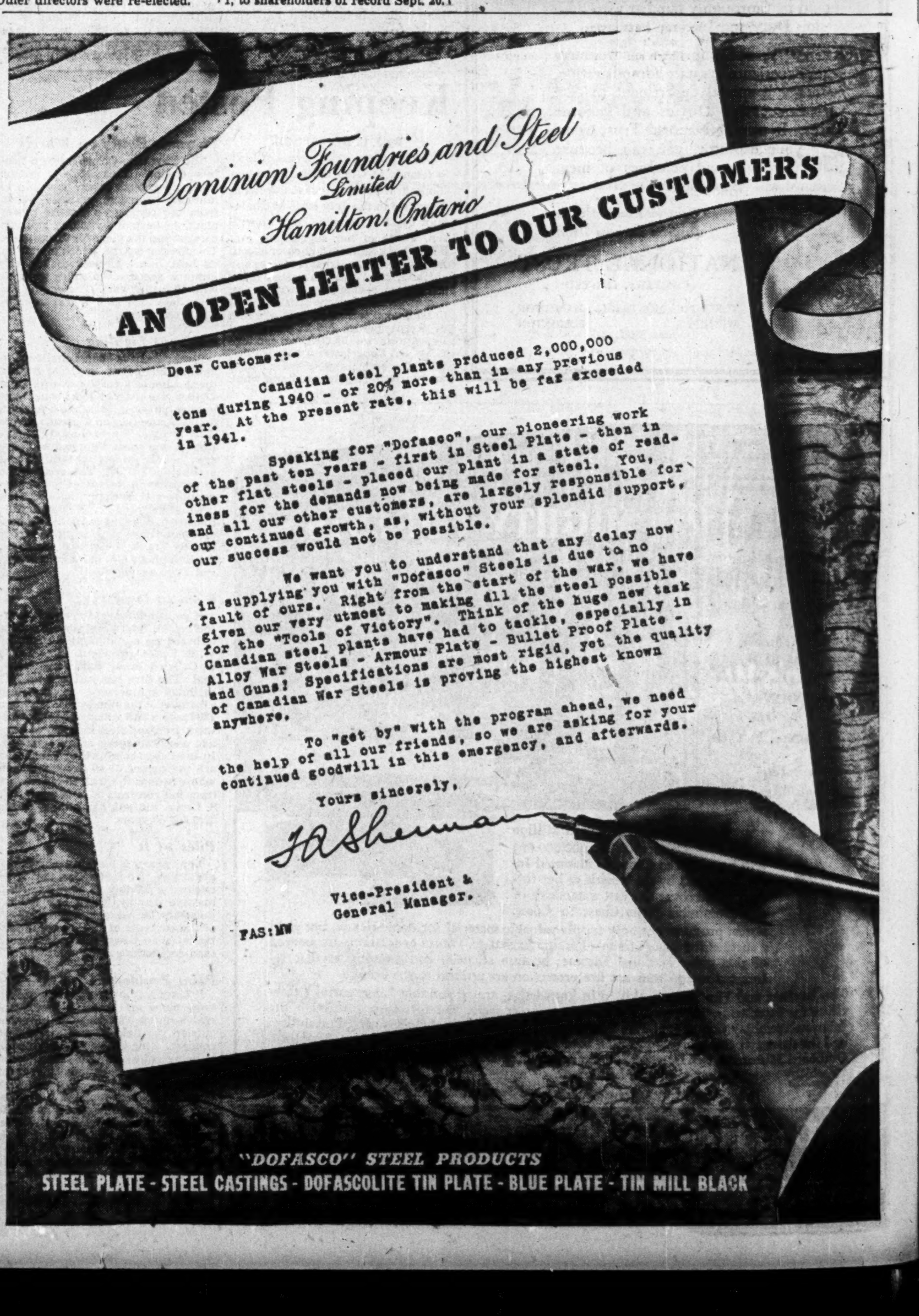

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The Headmaster, Joseph McCulley, B.A., invites correspondence and interviews with parents. Autumn Term enrolments now being received.

AUTUMN TERM OPENS SEPTEMBER 11th

FEATURES
in the July issue
The CANADIAN CHARTERED ACCOUNTANT

Principles of standard costs
Termination of foreign investment
The profession in Great Britain
1941 amendments of the Income War Tax Act and The Excess Profits Tax Act
Threats to the Canadian price structure

Published monthly. $3.00 per annum. Subscription open to all. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

"Britain Delivers the Goods"

and still continues to produce fine woollens, despite heavy enemy action.

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BRANCHES FROM COAST TO COAST

Bond Markets

Bond Famine Looming In Medium Grades

Corporation and Municipal Issues Total $1.8 Million in Last Quarter Against $21.8 Millions in Same Period Last Year

Although the Victory Loan has drawn off $711 millions of new money, the remaining supply of investment funds appears adequate to maintain bond prices in the corporation and municipal sections. Actually, a shortage of the better grade corporation and municipal bonds may occur as a result of the continued redemption of these securities and the absence of new issues.

Compared with a year ago, the second quarter of 1941 showed a marked drop in new issues of securities. Municipal financing amounted to $716,927, against $3.7 millions a year ago. Two corporation issues are reported for the 1941 period, both sold privately for $1.1 million, against new offerings of $18.1 millions last year. Only four new municipal issues are likely in the near future, all for small amounts.

With supplies of new bonds declining, holders of existing corporation and municipal bonds appear to be increasingly reluctant to sell. A life insurance investment officer reports that his company has not received a substantial corporation offering in the past four months.

* * *

Squeezing the Investor

How far the scarcity of non-Government securities will go in Canada cannot yet be determined. But in England, the drying up of other offerings has reached the point where government offerings are needed to keep pace with national savings.

Government spending is adding to income, restriction on spending and industrial building are curtailing the outlets for funds. The last British budget made use of this fact in calculating its borrowing powers.

The increasing difficulty of finding profitable investments is reflected here in the dividend cuts of some of the trust and loan companies. Although collections are good, borrowers are becoming fewer and reinvestment usually means the purchase of Government bonds yielding around 3%.

The corporate lender and the private investor are being squeezed between low yields and high taxes. Unless more profitable avenues of investment appear, many small investors will be forced to consume their capital.

* * *

Axis Bonds Hit Lows

What New York investors think the Russian war means is reflected in the prices for some of the foreign bonds traded on the New York board.

The last "peace offensive" brought German Government 5½'s of 1965 to their high for the year of 11¾. Last week they fell again to the year's low of 6. Canadian issues, one of which made a new high, were for the most part less than a point under the year's peak price. Norwegian bonds were within two points of the high and Denmark's strengthened.

Hungary, which had just made good its Axis allegiance by declaring war on Russia, saw its bonds fall to new lows at 4½. Japanese issues, despite the apparent tension with the U.S. and Britain, saw one new high made, and general strength in other issues. Gist of the New York market action is that the Russian war is distinctly not bullish for the Axis.

Market Opinions

Comment on the stock market this week keeps the Russo-German war in the forefront but a disposition to wait until its outcome is clearer before making any forecasts is evident.

Journal of Commerce, N.Y.—Germany's invasion of Russia may become a major influence in the financial markets in this country when its consequences have become clearer. A development of this kind often exerts its effect upon security prices only when the repercussions have become quite apparent.

As far as the financial markets are concerned, the chief question that arises is whether a German peace offensive may be launched following victories in Russia.

Such a new peace offensive would confront the markets with the possibility of an early end of the war. It would also raise the question whether some curtailment of our armament programme might not follow.

* * *

Brookmire Counselor, N.Y.—The dramatic turn taken by the war makes it necessary to watch European events and their implications more closely in the period just ahead; and yet the investor should keep the emphasis on the underlying uptrend that is progressing vigorously in this country. Thus, shocks may well come from abroad; but clients should maintain their portfolios in stocks of companies that combine soundness with opportunity for benefitting from the basic inflationary expansion.

* * *

Financial World, N.Y.—Investors are able to acquire liberal incomes from sound common stocks. As compared with two years ago—which was shortly before the outbreak of the war—average industrial stock prices now are about 13% lower. Yet average common stock dividend rates have been increased by 35%, putting yields at their highest point in eight years. Selected income stocks are attractive not only from the standpoint of return, but also should show at least average appreciation in any period of general market improvement that might result from the trend of affairs abroad.

* * *

Magazine of Wall Street, N.Y. — Latest war turn is bullish in limited degree. It will become more bullish if Russia makes a good fight, otherwise not. We are inclined currently to give the hopeful side the benefit of the doubt. The market will be closely sensitive to near-term German-Russian war developments. A prudent margin of liquidity should be maintained in investment positions; and speculative commitments should be protected by stop-loss insurance.

Ont. Accountants Elect J. F. Gibson

JAMES F. GIBSON

James F. Gibson has been elected president of the Institute of Chartered Accountants of Ontario, succeeding W. G. H. Jephcott. Mr. Gibson is chief corporation assessor in the Income Tax Division, Toronto area, of the Department of National Revenue. Other officers elected were:

FRANK C. HURST, Toronto, first vice-President.
R. R. GRANT, Toronto, second vice-president.
E. J. HOWSON, Toronto, secretary-treasurer.

Members of Council

K. L. CARTER, A. G. EDWARDS, R. R. GRANT, H. P. HERINGTON, W. G. H. JEPHCOTT, C. G. McCONNELL, A. R. McMICHAEL, C. A. PATTERSON, F. S. VANSTONE, all of Toronto.
G. S. JEWELL, London.
S. G. RICHARDSON, Hamilton.
R. H. BOUNSALL, Ottawa.

The members this year dispensed with their annual dinner dance and voted $1,000 to assist war charities.

Company Reports

Standard Chemical

Standard Chemical Co. reports a gain of $122,000 in operating profit for the year ended March 31, 1941, over the preceding year. Higher taxes, depreciation, write-offs of various assets and reserves resulted in net profits being reduced to $1.47 a share on the commmon compared with $1.54 in the previous year. Dividends of $1.25 a share were paid for each year.

Sales in the 1940-41 year increased $772,421 over the $1.7 million reported a year ago. This increase was mainly due to war requirements, reports L. M. Wood, chairman, which made it necessary to operate for a portion of the year a factory which had been idle for several years. He states that directors are making provision for a possible post-war decline in inventory values. Inventories total $890,259 and are valued on the basis of March 31, 1940, values which are stated to be substantially lower than approximate cost at March 31 this year.

In association with a United States manufacturer, and at the request of the Dominion Government, the company last year erected a factory for production of "a very important war commodity." Deliveries of this commodity began April 1, 1941, and the results of the undertaking will be reflected in the 1941-42 accounts.

Bonds of Wood Products Co., upon which Standard Chemical guaranteed interest to Aug. 1, 1940, became due on that date. Wood Products had no funds to retire the debt. The manufacturing plant had been under lease to Standard Chemical for many years and the latter company owned all of Wood Products common stock. Directors of Standard Chemical offered 15% of the principal value for the Wood Products bonds and over 70% have been purchased at a cost of $23,595.

Consol. Income and Surplus Account
Years Ended March 31

	1941	1940
	$	$
Operating profit	272,720	150,432
Add: Invest. inc. (net)	226	52
Net earnings	272,946	150,484
Less: Exec. sals.	31,799	29,361
Legal fees	349	1,498
Directors' fees	1,000	1,583
Assets w/o	83,127	24,912
Depreciation	35,000	17,500
Contingencies	25,000	......
Income & E. P. tax	61,750	18,300
Net profit	54,921	57,330
Less: Dividends	46,596	37,277
Surplus for year	8,325	20,053
Add: Prev. surplus ..	109,968	89,915
Earned surplus fwd. .	118,293	109,968
Earned per Share:	$1.47	$1.54
Paid	1.25	1.25
Shares o/s., n.p.v.	37,277	37,277

Working Capital

	$	$
Current assets	1,425,065	1,168,551
Current liabilities	426,946	214,061
Working capital	998,119	954,490

Candn. Converters

Sales volume of Canadian Converters' Co. in the year ended April 30 increased 24% over the previous year.

Because of increased provision for income and profits tax, net profit declined to $56,847 from $62,234 in the 1940 fiscal year. This was equivalent to earnings on the common shares of $3.28 and $3.59. Dividends of $2 a share were paid during the year.

J. M. Mackie, president, states in the annual report indications are the company's plants will be fully employed for the next six months, depending upon an ample supply of labor and raw materials.

Working capital rose slightly during the year to $631,341. The only change in the balance sheet of consequence was the lowering of bank loans to $55,000 from $100,000 at the end of the 1940 fiscal year.

Cons. Income and Surplus Account
Years Ended Apr. 30

	1941	1940
	$	$
Operating profit	123,160	107,888
Less: Directors' fees ..	3,500	2,588
Exec. salaries	12,690	11,580
Legal fees	27	418
Depreciation	14,925	12,568
Inc. tax res.	35,171	18,500
Net profit	56,847	62,234
Less: Dividends	34,670	......
Surplus for year	22,177	62,234
Add: Prev. surplus ..	490,698	422,382
Inc. tax adj.	......	6,082
Less: Prior inc. tax ..	1,173	......
Surplus forward	511,702	490,698
Earnings per Share:		
Common	$3.28	$3.59
Paid	2.00	....

Working Capital

	$	$
Current assets	831,592	816,143
Current liabilities	200,251	202,333
Working capital	631,341	613,810

What Would Profits Be If Ontario Hydro Were Privately-owned Firm?

In the accompanying tables The Financial Post gives an approximation of how the affairs of the Ontario Hydro-Electric Commission would look if it were operated as a privately owned corporation.

Hydro operates on a "cost basis," rebating its profits to the subsidiary municipal power system. Hence, "profits" in any year are accidental, result from the fact that charges to the municipalities are based on interim rates which are later adjusted in the light of power consumed in the period. This means that all income over costs is appropriated every year.

Another point of difference between Hydro and corporation accounting is the treatment of sinking fund as a charge against earnings. In the normal corporation, sinking funds are a capital item, and reflect the retention of earnings within the company for specific purposes. Usually they result from allowing depreciation or depletion on a long-run plan that may be in excess of the current replacement demands of the year under review. The plan is to build a reserve which over a period of years will take care of average annual replacements.

The $4.5 millions of "net profit" shown for 1940 might be increased by the $2.8 millions of sinking fund allotment, the renewals provision being regarded as equivalent to the depreciation carried on corporation books.

Other "profit" items are the rate stabilization allowance and the contingencies and obsolescence reserves. These are variable reserves, dependent on the amount of earnings in the year. These items correspond approximately to the additions and earned surplus in an ordinary corporation balance sheet.

Working capital of the "company" is over $53 millions, if all current assets are taken into account. These substantially exceed the balance sheet amount for current assets, most of them being earmarked for debt reduction or other specific purposes. The ratio of debt to total assets is being reduced, and stood at 61.6% at Oct. 31, 1940, against 63.8% the year before.

The principal "subsidiaries" are 295 local municipal systems, for which consolidated balance sheets and operating statements are shown. These do not jibe perfectly with the "parent company's" statement owing to their year ending Dec. 31, and the fact that rural power districts, sales to companies and other minor items are included in the main statement.

Ontario Hydro
Years Ended Oct. 31

	1940	1939
	$	$
Gross income (rec'd. or due)	37,399,536	32,639,427
Less: Cost of power	8,390,531	7,878,206
Operat. & admin..	6,720,653	6,706,655
Interest	12,650,700	12,128,409
Net income	9,637,652	5,926,157
Less fixed reserves:		
Renewals	2,275,830	2,206,612
Sinking fund	2,829,935	2,945,856
Net profit	4,531,887	773,689
Appropriations:		
Conting. & obsoles.	949,321	189,886
Rate stabilization.	3,178,405	317,661
Return to municipalities	404,161	266,142
	nil	nil

Working Capital

	1940	1939
	$	$
Current assets	7,526,719	7,682,811
Inventories	3,595,975	3,379,952
Specific reserves ..	46,850,208	48,465,593
Sinking funds	903,837	764,759
Total current assets	58,876,739	60,293,115
Current liabilities .	5,390,250	6,797,225
Working capital ...	53,486,489	53,495,890
Funded debt	219,428,608	222,612,165
% funded debt to total assets	61.6	63.8

MUNICIPALITIES CONSOLIDATED OPERATING REPORT
Years Ended Dec. 31

	1940	1939
	$	$
Earnings	38,025,287	35,289,791
Less: Power purch..	23,756,863	21,855,595
Oper., admin. & maintenance ...	6,114,892	6,028,441
Interest	1,464,381	1,594,040
Sinking fund	2,389,724	2,420,441
Deprec. & other reserves	2,644,127	2,524,364
Surplus	1,655,300	866,910

Consolidated Balance Sheet

	1940	1939
	$	$
Total plant	97,914,200	99,489,755
Current assets	74,670,535	74,033,123
Total assets	172,584,735	173,522,878
Funded debt	20,636,363	27,962,686
Current liabilities ..	6,287,275	6,278,804
	26,923,638	34,241,490
Reserves	81,517,897	75,752,295
Surplus	64,143,200	63,529,093
	172,584,735	173,522,878
% net debt to total assets	17.4	19.3

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Ham. By-Prod..	†5%	1955	July 7	102.918
Victoria Realty .	*6%	1948	Aug. 15	102½
Southern Kraft	‡4½%	1946	July 3	par
Do.	*4½%	1946	July 12	par

Drawn by lot:
‡$300,000. †$51,500.
*All outstanding balance.

HEADS ASSOCIATION

George S. Vale, of the Trusts & Guarantee Co., Toronto, who has just been elected regional vice-president for Canada of the Building Owners' and Managers' Association at the international convention recently held in Chicago.

Shawinigan Employees Heavy Bond Buyers

From Our Own Correspondent

MONTREAL. — The Shawinigan Water and Power Co., including Shawinigan Chemicals Ltd., to the number of 1,775 subscribed for $308,450 of Victory Loan Bonds, according to an announcement made by James Wilson, president of the company.

West Canadian Earnings Safe

Already Paying High E.P.T. Rate — Capacity Doubling Delayed

When the annual report of West Canadian Hydro-Electric Corp. appears later this year it will show taxes at the maximum rate under E. P. T., The Financial Post is informed. Later tax developments, notably the announced intention of the Province of British Columbia to suspend its corporation income taxes in accordance with the Ilsley proposal, may actually reduce the tax burden in the coming fiscal year beginning July 1. Barring some unforeseen major catastrophe, company officials feel that continuation of preferred dividends is reasonably assured.

Plans for doubling the company's generating capacity from 4,000 h.p. to 8,000 h.p. will probably be delayed at least three months owing to prior war orders. Contracts for generator and turbine have been let to Canadian General Electric and Canadian Allis Chalmers. Original plans called for completion by Aug., 1942. Increase has been made necessary by the demands of the Vernon, B.C., military camp and by normal growth of the community. The power-exchange agreement with West Kootenay Power & Light, which formerly looked after peak demands is no longer to be relied on as a result of war requirements.

B. C.'s Debts Are Reduced

From Our Own Correspondent

VANCOUVER.—British Columbia paid off $9.9 millions July 1 on the Provincial Government's 3% inscribed stock issued in London, the first of which was marketed in 1891 and the last in 1901.

Hon. John Hart, Minister of Finance, announced that the funds to repay this maturity represent the accumulation of a sinking fund specifically provided for that purpose, as well as a surplus created in the debt redemption fund established for a registered stock which matured April 1, 1941.

Since the end of 1940 British Columbia has repaid debt obligations from sinking funds and current revenues amounting to $12.4 millions. A further $2 millions will fall due August 15 and $2 millions on October 26. These will be paid out of sinking funds. The year's total repayments will thus be about $26 millions. Reduction in the province's net debt will be nearly $4 millions.

Foreign Exchange

During the week June 22 to June 28 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, June 28

Australia ...	3.58	N. Zealand .	3.61
India	.3372	S. Africa ...	4.47
Japan	.2608	Hong Kong .	.2733

Bond Tenders

12 o/c noon. July 3, Canada Treasury Bills—$35,000,000, dated July 4, 1941, payable Oct. 3, 1941.

Write for DOMINION SUCCESSION DUTY booklet

★ Containing a complete summary of the Act with practical examples of how duty is calculated and tables showing the value of life interests and reversions.

THE TORONTO GENERAL ★ TRUSTS ★ CORPORATION

Montreal, Ottawa, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Vancouver, Toronto

BOUGHT — SOLD — QUOTED

All Real Estate issues:
Algom. Cent. Hud. B. Rly. 5% due 1959
Burns & Co. Ltd. 5% due 1958
Can. Vickers 6% due 1947
Col. Steamships 6% due 1954

Man. Sugar 5% due 1960
Mont. Drydocks 6% due 1948
Sterling Coal 6% due 1945
West. Grain 6% due 1949
Andian Nat. Corpn.

Anglo-Can. Tel. 5½% Pfd.
Burns & Co. Ltd. "A" & "B"
Can. Industries "B" & 7% Pfd.
Can. Westinghouse
Federal Grain 6½% Pref.
Tip Top Tailors Inc. Pref.

PLAXTON, CHERRY & Co.
330 Bay St. TORONTO AD. 5801

The Editorial Page . .

An Incomplete Report

Last November or thereabouts, W. N. Tilley, K.C., Toronto lawyer, was asked to investigate certain contracts for airdrome construction in Nova Scotia, handled by Acadia Construction Company. After he had made some kind of report to the Minister of National Defense for Air, certain specific questions were put to him. In answering them he brought in a report that has been tabled in Parliament.

The report is a scathing indictment of many phases of the Government's handling of this contract.

The specific questions were put to Mr. Tilley on March 10. They include this one:

> "Has the public interest suffered, or has the financial position of the company benefitted, because of Group Captain R. R. Collard's occupying a position as a member of this department, he at the same time being a director of Acadia Construction Company."

Mr. Tilley's reply was as follows:

> "The public interest has not suffered, nor has the financial position of the company benefitted. . . ."

It may indeed be true that no one suffered, in this particular instance, from the fact that one of the directors of the construction company was also a member of the department for whom the work was being done.

But that does not dispose of the question at all. Very few citizens will believe that it is ever proper for any person to occupy such a dual role.

The public is entitled to a lot more information than is given in this report on the circumstances under which one man could be both a director of a contracting company and an officer in the government service for which the company was doing a profitable construction job.

For instance, one question that is entirely ignored is whether or not Group Captain-Director Collard's duties as an officer of the Air Force touched in any way the negotiations in connection with various revisions of the contract, the approval of work done, etc. Another question is whether the Minister of National Defense, or his successor in the matter, the Minister of National Defense for Air, ever learned of this dual role and, if so, what steps were taken to end it.

It would be interesting, too, to know what comment may have been made by Mr. Tilley in the informal report he must have made to Hon. C. G. Power, prior to March 10. Whatever Mr. Tilley reported to the minister before a carefully phrased, formal and very narrow question on the point was put to him has not been published.

In justice to Mr. Collard himself as well as to the public these questions should be answered.

Size is No Civic Virtue

The Edmonton Journal says that the city is within sight of the 100,000 mark. It adds: "It is an accepted fact that cities of 100,000 population and over show an accelerated growth. The first 100,000 is the hardest to acquire!"

The Journal should really write that in a strong undertone of regret rather than with enthusiastic anticipation. Cities do not become more livable places as they grow in size. They become less and less attractive. Traffic congestion, noise, lack of neighborliness among citizens, crime, smoke, difficulty of finding good men for civic affairs—all these grow apace as cities expand. As Edmonton races past the 100,000 mark it will change in character. The change may not be for the better.

Edmonton right now is living in its "good, old days" and should make the most of them before it becomes a sprawling, crawling metropolis.

Stalin's Left Hand and His Right Hand

Russia is ruled by the Communist Party of the U.S.S.R. It was so ruled when Josef Stalin was only the secretary general of the party and not the premier. Today, Stalin, the premier, and Stalin, the Red boss are indistinguishable.

At times there has seemed to be some conflict between Russia's foreign policy and the policy of the Communist party. Such a time was when Russia joined the League and, with Litvinoff as front, made a pretence of respectable intercourse with other nations while the Comintern pursued its policies of undermining the democracies. It helped to set up the Front Populaire in France that ultimately led to France's ignominious defeat in war. Such a time is now when Stalin has been forced into battle with Germany and when it may be taken as certain that the Communist Internationale will continue its work of weakening the economic and social structure of the nations fighting Hitler.

Bruce C. Hopper, an authority on Russia, has made it clear that the one and only objective of the Communist Party of Russia is a World Federation of Soviet Socialist Republics, to be established through the strategy and tactics of the world revolution. But the Communist party adapts its tactics to fit both the internal problems of Russia and the changing conditions it must face in the world. There may be occasional conflicts between the Narkomindel (Foreign Office) and the Comintern (Communist Internationale) but always, as Mr. Hopper points out in a brilliant analysis in Foreign Affairs, "the goal remains unaltered."

Whenever Bolshevism puts on the cloak of respectability then is when it should be most carefully watched for then is when its dirtiest work is being done in the dark.

No one knows what Stalin will do in his present struggle with Germany, no one except Stalin himself. But every informed person knows that the results of the present fight will in no way alter the objective of Bolshevism—which is world revolution.

Communists in Canada and the United States will remain loyal to their objective of destroying the foundations of democracy. Much as we would welcome Russian successes in holding Stalin's great competitor for leadership of the world revolution, and even if we lend military or economic support to Russia, we must be ever on guard against Communism's revolutionary agents on our own home front.

This is no time for sentimental gushing over Russia; or for the relaxation of stern measures against Communists in Canada. Hitler is our great enemy abroad but Communism is our enemy at home.

Saving Their Overtime Pay

Many workers are enjoying full time and overtime pay out of war work. But it is a temporary sort of "prosperity."

War savings, through Certificates and Victory Bonds, provide an opportunity for workers to put aside some of this money for a day when the transition from war to peace may shrink their pay envelopes. But everybody knows that very few workers are saving more than a fraction of their income increases. Most of the money is being spent, some of it wisely, some not too wisely.

Employees of the Dominion Foundries and Steel, Hamilton, have a good plan to prevent the frittering away of overtime pay. The company has always avoided overtime, so far as possible, believing that the 8-hour day enables the company to get the best production out of its workers, and the workers to get the most out of life. But in some departments, overtime work has been necessary to keep up with the demand for steel for war purposes.

The company suggested to its employees that special savings account be set up for all overtime payments. Practically all those on overtime have agreed.

Paternalism? Not exactly. It is co-operation between the employer and the worker to protect the worker and his family against the temptation to spend money that will be more useful to him, and more useful to the country, if it is saved.

No employer can force a plan like this on his employees. But most employers could sell the plan to their employees. It should be much more widely adopted.

Getting the Seaway Without Cost

Secretary of Commerce Jesse Jones told Congress the other day that the St. Lawrence could be built "without costing the taxpayers a dime." He wants the Seaway to be paid for out of the proceeds of bonds to be retired out of canal tolls and receipts from the sale of power.

When President Roosevelt first came to office he said he intended to explore the question of tolls on inland waterways. He seems to have taken no further action but he is on record as considering it wasteful and uneconomic for those who use waterways for commercial profit to make no tonnage payment to meet the costs.

Tolls should be charged on all Canadian canals and Canadian-U. S. international canals. These tolls should be used to pay operating expenses and to retire the bonds issued to build them.

So far as power works on the St. Lawrence are concerned, receipts from the sale of energy will, of course, be used to pay off the capital cost of the investment in power plants. Ontario Hydro follows the wise practice of including in its power charges enough to provide for adequate sinking fund reserves. As Hydro is to pay the cost of the power works on the Canadian side of the river, the debt incurred for their construction will in due course be liquidated. But the debt incurred for navigation works will—unless tolls are charged—hang around the necks of the Canadian people for all time to come.

Our heavily taxed railways—in the case of the C. P. R. the company pays the taxes and in the case of the C. N. R. the burden is shifted to the taxpayers generally—should not have to compete with tax-free, toll-free canals. Those who use and benefit from canals should pay the cost of the service provided for them.

There is nothing in international understandings with the United States to prevent us from charging any tolls we like on any of our waterways so long as the same tolls are charged against both American and Canadian vessels.

After the war, we may find that a toll-free St. Lawrence will be a liability in ways other than the burden on the taxpayers. The pulp and paper industry of the Great Lakes region, for instance, may find it embarrassing to meet the competition of Scandinavian woodpulp and newsprint brought into the heart of the continent at the expense of the taxpayers of the United States and Canada.

That Tax on "Excess" Profits

The increase in the minimum rate of "excess profits" taxation to 22 per cent emphasizes the gross injustice of the title given by the government to this levy.

The dictionary definition of "excess" indicates that the word implies intemperance, overstepping the bounds of moderation or decency and so on. In the public mind the word implies, in respect to E. P. T., the profits increase fortuitously enjoyed by companies, over and above their normal prewar profits. "Excess profits" are, the public thinks, profits earned out of the war economy.

In actual practice every business firm pays this "excess profits" tax even if it earns only a tenth of the wages for its shareholders that it earned before the war.

The government has increased the corporation tax on company earnings, first from 15 to 18 per cent, and then up to 40 per cent, and has provided that where there is an increase over a basic prewar level a further cut of 75 per cent of the increase will be taken as additional taxation. Only the last part of the increase can by any stretch of the imagination be called a tax on "excess" profits.

To tell a man whose business has been seriously imperilled by the war that the increase in his rate of taxes is a levy on his "excess profits" is so stupid and unjust as to merit rebuke. One may as well call the wage earners' national defense tax a levy on his "excess" wages, or the farmers' 3 cents gasoline tax a tax on his "excess" income.

Editorials in Brief

The Chicago Tribune runs a photograph of Lord Halifax and labels him "Lord Lothian, British envoy."

A newspaper that has yet to learn of the death of King George III and Lord North may be excused for being unaware of more recent changes.

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The Regina Leader-Post suggests that it is doubtful if, when Hon. Joseph T. Thorson, K.C., was appointed Minister of National War Services, The Financial Post, the Montreal Gazette or Toronto Globe and Mail were able to recall immediately who he was.

Mr. Thorson is scarcely as obscure a person or the three newspapers mentioned as ill-informed as the Leader-Post's comment suggests.

• • •

The manner in which the long-distance telephone has speeded up business is remarkable. In fighting the war, government officials find it a powerful servant.

There is some danger, however, that juniors in the government service, seeing the effective use that their seniors are making of the telephone to get quick decisions, may seek to build up their own self-esteem by using this medium when it is not necessary. The Financial Post has had numerous calls from Ottawa about trifling matters that could have been as well dealt with by letter.

A Toronto concern received the other day a long-distance call asking for the Christian name of an employee who had bought war savings certificates. It took some minutes to dig up the information from the files, during which time the clerk at Ottawa held the line. The cost of the call probably exceeded the amount received by the Government for this $5 war savings certificate.

Other People's Views . . . . .

The Canadian Editorial of the Week

Communists Count on Dupes

Toronto Telegram

As we anticipated, the Communists in Canada are now shifting their feet, and the Toronto committee of the Communist party has issued a statement, unsigned, that for impudence has never been surpassed. It says that Russia's war against Germany is a holy war. It says that the Soviet Union, which seized Latvia, Estonia and Lithuania, which attacked and plundered Poland and Finland, which robbed Roumania at gunpoint and which tried to rob Turkey while declaring friendship, "has no imperialist ambitions." It says that the Communist party of Canada, which on Stalin's orders tried to cripple Canada's war effort and so help Hitler, "stands as always in the front ranks of the enemies of Fascism and aggression." It demands that the Government recognize the legality of the Communist party.

This unspeakable bilge is not to be dismissed as beneath contempt or as propaganda that by its folly will defeat its own ends. It will be believed, by the same fools—educated fools many of them—as swallowed the Communist bilge in the past. Pink-hued professors will parade their complexions in public once more. University students will preach that Bolshevists aren't bad at heart. Newspapers that catered to the Communists in the past will open their columns once more to the admirers and dupes of Moscow, while editors of periodicals will opine gravely that Canadian Communists, if there were a revolution here, would not show themselves so bloodthirsty as their opponents suppose. These educated half-wits by their brainless chatter will help the Communists to deceive well-meaning but simple folk, and the whole pitiful business will begin all over again.

We may be wrong in this forecast. We hope so. But the Communists are counting that we are right, and they should know. They fooled these people in Canada right up to the time that they revealed themselves as unashamed traitors and they are planning confidently to work the same trick once more.

• • •

As Others See Us

No Planning

New Glasgow News

The policy of holding back in wartime has nothing to commend it. Only aggressive leadership and all-out production with the type of central cabinet planning that has long been advocated by The Financial Post and other leading Canadian papers can give us the maximum war effort this country is capable of performing.

• • •

Strengthen the Cabinet

Midland Free Press Herald

Is Prime Minister King's failure to strengthen his cabinet by bringing in strong men from outside the Liberal ranks altogether due to shortsighted and stubborn partisanship, or is it because leading Canadians who have been invited to enter the administration have refused such bids because of impossible conditions imposed?

Stories from Ottawa indicate that the premier has from time to time been willing to accede to the growing demand from coast to coast that the Government be strengthened, but that so steeped is he in political traditions that he has demanded from those he has approached such pledges of personal and cabinet loyalty that no man of independent spirit has been willing to accept. Consequently he has had to turn to party adherents to fill such vacancies as have occurred, and has maintained in office weaklings for whom the public has little enthusiasm.

Canadians generally will agree with these two paragraphs from The Financial Post:

> In wartime, the country would stand behind the Prime Minister if he were to select for the key jobs the best men in the country, whether they speak French, English or Cree; whether they come from Nova Scotia, Alberta or the Baffin Land; whether they worship God in a Catholic church, a Protestant church or a Mormon temple; whether they are now in Parliament or not.
>
> Let's get the right men in the jobs. Then let us give them time to plan and manage the war effort. There are scores of bright young men in Parliament who can adequately represent their ministers as undersecretaries, freeing their chiefs for important work that now is not being done.

• • •

Need Spiritual Arousing

R. M. Harrison in Windsor Star

In discussing how the roots of public discontent may be unearthed, The Financial Post says: "This discontent is not with the war or the fact of our being in it. It is, rather, a feeling that we may not be getting the fullest results for the exertions the people are now making."

Most vital of all, the financial newspaper believes, is a lack of dramatic, spiritual arousing. "Our war leaders in Canada," it finds, "are Churchill and Roosevelt. The best appeals to our emotions have been made by Dorothy Thompson, Wendell Willkie and Mayor LaGuardia. We have found no man of destiny, no leader to set our hearts aflame. It cannot be because the hour is not dark enough. Our way of life was never so close to destruction as it is at this moment."

• • •

The Mail-box

Driving Out Money

Editor, The Financial Post:

We all know that in times of war taxes of all kinds must be paid. It is admitted that the withholding tax on dividends to and from Canada will yield a considerable amount, but will not the effect of this after the war lead to a decrease in the amount of money coming to Canada.

I am enclosing a notice received from a United States source which points out certain U. S. Government tax provisions. It is not pleasant to read that a stockholder with a "Swedish address" pays 10% while a Canadian or other "foreigner" pays 16½%.

A few years ago someone asked in the British Parliament why a tax of this nature was not imposed and the answer was that they wanted to keep money in the country and not drive it out. I am afraid that after the war this tax will not only drive money out of Canada but will have the effect of keeping it from coming in.

JOHN W. BROOKFIELD.

Halifax, N.S.

—Cartoon by Grassick

THE TRAVELLER: "Some folks get so impatient!"

Post-Scripts . . . .

Able Skelton Successor

Speaking publicly in praise of his new "boss" last week at Ottawa, L. B. ("Mike") Pearson described Norman Robertson's prowess at bridge, at mountain climbing and his devotion to and leadership of the "Cafeteria Set."

Mr. Pearson was speaking to the local Canadian Club about Life in London. That morning the appointment of Norman Robertson as Under-Secretary of State had been announced. It had also been announced that Mr. Pearson and his running-mate Hugh Keenleyside, had been appointed assistant under-secretaries. Mr. Pearson has just returned from his important job as Counsellor to the High Commissioner at Canada House.

MR. ROBERTSON

Admittedly, brilliant, youthful Norman Robertson is an expert bridge player. He is rated as one of the best in Ottawa. As to mountain climbing, Mr. Pearson was being simply facetious. Robertson shuns exercise.

The reference to "Cafeteria Set" brought much applause from the Ottawa audience.

Mr. Pearson was referring to the fact that Norman Robertson invariably has lunch in the basement cafeteria of the Chateau Laurier. Along with such notables as Arnold Heeney, clerk of the Privy Council, L. D. Wilgress, deputy minister of Trade and Commerce, John Pickersgill, secretary to the Prime Minister, David Sim, Commissioner of Excise, and many others. Mr. Robertson may be found each noon, hunched around the little black-top tables. Pearson thinks the Cafeteria Set may some day assume as much international importance as the notorious Cliveden Set of England.

• • •

Seriously, the new under-secretary of state is one of the most brilliant minds in the Government service. And that is saying a lot these days, when Canada's permanent civil service includes in its roster men who are the equal of their opposite numbers anywhere in the world.

There are few jobs in Canada more important than that of Under-Secretary of State. Norman Robertson must guide and counsel the Prime Minister on every aspect of Canada's foreign policy. The changes and reorganization of the department which have just now become effective place this responsibility in the hands of men worthy to carry on the magnificent traditions of the late O. D. Skelton, who dominated this department for so many eventful years.

To Congress

A letter from Toronto's "Dick" Stapells ran in the Congressional Record the other day.

R. A. Stapells, ex-manufacturer, is now a senior executive of the advertising agency of J. J. Gibbons, Ltd. A friend of his received an important appointment in Washington recently. Mr. Stapells wrote him a letter of congratulation. it came to the attention of Representative Joseph E. Casey of Massachusetts, who obtained unanimous consent of Congress to have it printed in the Record. He called it a "remarkable letter." It was certainly a very friendly one.

R. A. STAPELLS

In it, Mr. Stapells said, in part:

"I wonder if you know how grateful Canadians are to your President and you wonderful people of the United States for the encouragement and the support you are giving to our Empire at this time. We have a long, grim job on our hands, and we realize to the full how much we are dependent upon the United States if final victory is to be ours.

"I think, perhaps, more Canadians listened to your great President's epoch-making address last night than have ever listened to a radio address before.

"We know that there are differences of opinion in the United States regarding Mr. Roosevelt, but I think, perhaps, that that may be because of political differences; but so far as Canadians are concerned, we are unanimous in the view that he is not only one of the greatest statesmen the United States has ever produced but one of the greatest statesmen the world has ever produced.

"And so we say, thank God for Roosevelt and the American people, for their grand co-operation and their priceless assistance."

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Century of Progress

In Canada there are relatively few businesses which have been in regular existence for 100 years or more. When one includes only those that have been continuously in the same family for this period, the number becomes still smaller.

W. H. Schwartz & Sons Ltd., Halifax, is such a firm and is this year celebrating its 100th anniversary. Present active heads of the company are grandsons of the founder. The company has just concluded its most active year.

W. H. C. SCHWARTZ

The founder of the firm, W. H. Schwartz, came to Nova Scotia from Holland about 1800. He spent a period in New York but returned to Halfax where he founded the firm in 1841. For many years coffee was the only product offered to the public. Mr. Schwartz had ideas about promoting quality foods long before pure food laws were ever enacted. Under the regime of his son, W. E. Schwartz, it began to prepare and merchandise pure spices as well as coffee.

At various times larger premises have been obtained and new products added. In 1918, the firm name became W. H. Schwartz & Sons Ltd. and active management was taken over by W. H. C. Schwartz, president and managing director and K. E. Schwartz, vice-president and factory manager, two grandsons of the founder.

Since that time, the greatest period of growth has taken place. Additional food lines have been added and a major forward step was taken when sales in Quebec were attempted about 1920. Now business in this province has grown until it amounted to around a quarter of a million dollars last year.

Significant of the type of direction this old firm is now getting is the way it undertook to develop trade in French Canada. First step was to hire a French Canadian as a salesman. Then came a French stenographer, as experience early showed that correspondence was best conducted in French. In the early years of this growth, W. H. C. Schwartz himself made a trip through the French-speaking district which was rapidly becoming so important to his firm. As a result of what he learned on that one trip he has since learned to speak and read French, working entirely in his spare time. It is the belief of this firm that French Canadians have every right to their own language and that companies seeking their trade should be prepared to meet them in their own way. Judging from results, it has been a practical philosophy of business.

Recently the firm has experimented in another way. The war brought interruptions to the supplies of mustard seed which the Schwartz firm needed. Last year about 35 Nova Scotia farmers planted small test plots with mustard seed brought from England by Schwartz. Results are said to have been satisfactory and larger acreages sown this spring. Growing of other herbs, including sage and savory, has also been undertaken under the encouragement of the Schwartz firm.

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T. S. E. Head

Thomas Alexander Richardson, newly elected president of The Toronto Stock Exchange, brings to his position a background of 31 years in the brokerage business. Born in Grand Valley, Ont., in 1883, he entered the Bank of Hamilton in 1905. When he left in 1910 he was manager of the Midland branch.

MR. RICHARDSON

His introduction to the investment business came with Canada Securities in 1910 in Montreal and Toronto. Then he formed his own firm as T. A. Richardson & Co. in 1914, dealing in stock and bonds in Toronto. Later he became a partner in the firm of A. L. Hudson & Co. which later changed its name to F. O'Hearn & Co., and Mr. Richardson has been senior partner of this firm since 1929.

Over these years, Mr. Richardson has seen many changes in the investment business. He went through the frenzied speculation of the '20's, the lean years of the early '30's. He does not want either era to return, feeling that the investment business—and the country as a whole—is much better off if a reasonably steady flow of investment money can be assured. He does not think that the speculator can ever be barred from stock markets, nor does he suggest that such should be attempted. But he feels that Canada and the rest of the world will never go back to pre-war conditions.

Mr. Richardson feels that the machinery now set up to handle buying and selling in securities in this country is excellent. In fact he goes so far as to admit that he does not see how it can be improved. The Toronto Stock Exchange itself is in the strongest position of its history, he maintains.

T. A. Richardson makes no predictions as to the immediate course of security prices. He feels that the probability is that the war will be an extended one and that it will call for extreme efforts from Canada and her allies. He sees the post-war period as a time of testing for the lessons that should have been learned both from the 1930 depression years and from the war itself. As a major provision for success in meeting the problems of this era, he feels that industry and government have a joint responsibility in assuring a reasonable standard of living for all Canadians. When this is assured, the investment business will not suffer from lack of volume, he hopes, and will also be free from the extreme fluctuations that have characterized its past history.

• • •

Sayings of the Week

"To lend money is not sufficient; we are equally obliged to furnish men."—*Cardinal Villeneuve at Quebec.*

• • •

"The greatest enemy on this side of the Atlantic is the idea that there is lots of time."—*Hon. J. L. Ralston, Minister of National Defense.*

• • •

"Today the whole world is divided between human slavery and human freedom—between pagan brutality and the Christian ideal. We choose human freedom—which is the Christian ideal."—*President Franklin D. Roosevelt.*

• • •

"This is the time for employers to assist their employees in organizing. Is it suggested that labor organizations should be made up only of employees who are dissatisfied with their job?"—*D. G. Ross, M.P. for St. Pauls, Toronto.*

• • •

"We have converted the greatest peacetime industrial machine man has ever seen into the greatest producer of military material of every kind. We have subordinated all else in our life to the supremely important requirements of national defense and of aid to the British Empire." — *U. S. Secretary of Navy, Frank Knox, in a recent speech at Montreal.*

Stop Me If . . . . .

Husband (reading)—The tusks of 4,700 elephants were used last year to make billiard balls.

Wife—Isn't it wonderful that such big beasts can be taught to do such delicate work.

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Our Hungry Food Market

See Canada's Outlet in Britain Insatiable in Many Lines

From Our Own Correspondent

GUELPH.—So long as Britain's Atlantic life line is maintained Canada is assured of a huge market for essential foodstuffs in the Mother Country, delegates to the annual regional convention of the Canadian Society of Technical Agriculturists here were assured.

Britain wants from Canada practically unlimited supplies of cheese, eggs and bacon and a continuance of present near-record exports of wheat and flour. No hope was entertained, however, of any extensive resumption in exports of bulky fresh fruits or of semi-luxuries like canned fruits, vegetables and tobacco.

Emphasis was placed on concentrated high food value products which either were not available in sufficient quantities in British or could not be replaced by substitutes.

Wartime Agriculture

Canadian agriculture, delegates reported, was adapting itself to the wartime needs of Great Britain and, in this policy, was being encouraged by advice, propaganda, and, in some cases, subsidies by the Dominion and provincial departments of agriculture. At the same time authorities were continuing steps to maintain essential peacetime agricultural lines like apple and tobacco growing, overseas markets for which had been temporarily restricted by the war.

Major Difficulties

Delegates stressed the peculiar difficulties of quickly evolving any simple wartime agricultural programme because of the following major factors:

1. Practically all agricultural production is a long-range business requiring from months to years to develop.

2. Demand for agricultural products has undergone radical changes since the beginning of the war as result of Hitler's huge conquests of former Canadian farm markets, or farm produce competitors.

3. Too much wet weather last fall and too much dry weather this summer in eastern Canada, by far the country's biggest source of dairy products, meat, eggs, fruits, etc., have seriously interfered with production.

4. A growing shortage of farm labor due to enlistments and high wages offered by war industries.

Notwithstanding these difficulties, delegates reported that there had been a substantial increase in general agricultural production last year and with more favorable weather during the balance of the present season further gains were expected.

Bacon Expansion

Most sensational expansion was reported in hogs, raw material of our huge bacon export to Great Britain. Since the outbreak of war Canada has exported some 800 million pounds of pork products, mostly bacon, to the U.K. This goes forward under yearly contracts running from the first of October. This year, Britain agreed to take considerably more than during the first year of the war, and in negotiations for next season contracts, has asked for still greater increases.

With domestic consumption at peak levels and some decrease in Ontario hog marketings there has been difficulty in keeping up weekly shipments this summer.

Some rationing is in prospect for domestic consumers. But the situation is expected to be relieved by fall when the usual seasonal rush of western hogs commences. At one time a glut of hogs was feared, but owing to the increased demands of Britain and the Ontario decrease following crop losses of a year ago, there seems to be no worry of overproduction at least in the near future.

Whether Canada can continue to increase hog production will depend on her ability to raise hog feed, basis of which is coarse grains —and dairy by-products.

A substantial portion of former wheat land in western Canada has been diverted to coarse grains and more will likely follow next year, provided present firm hog prices are maintained. Before the war Canada supplied about 20% of Britain's bacon requirements and Denmark over 40%. Now the great bulk of Britain's restricted bacon supply comes from Canada.

Cured bacon of the type Britain desires cannot be held indefinitely in storage, hence the importance of a steady supply of marketable hogs. For several decades Canada has been developing a special bacon hog industry with the idea of capturing an increasing portion of the British market and ever since the Empire Agreements of 1932 there has been almost a continuous campaign for more hogs.

All Cheese Possible

In cheese, Canadian farmers are told that there is an unlimited market in Great Britain. Exports have been increased since the war but not substantially. Further gains will largely depend on improvement of pasturage in eastern Ontario from which area over 60% of Canada's cheese exports originate. The country is dotted with small one or two man cheese factories which operate for the most part from May to October only. At present both pastures and spring crops in the cheese districts are suffering seriously from drought.

It has been suggested that milk, some of it in the surplus category, be diverted from large fluid milk-consuming centres like Montreal, Ottawa, Toronto, Winnipeg, etc., and used for cheese making. In some cases, this might mean the development of new cheese factories; in other cases simply the shipping of this milk to existing factories. It has also been suggested that Canadian consumers be asked to give up all or a part of their cheese demands so that there will be more available to Britain.

Most of the delegates who participated in the C.S.T.A. discussion here expressed the opinion that the only way to increase cheese production substantially was to keep prices up to a point where the temptation to divert milk to other purposes, direct consumption, butter, condenseries, etc., would be removed. In any case they believed the authorities would have difficulty in increasing production this year owing to the drought.

Little hope was seen of any big expansion in Canadian butter exports to Great Britain. The Mother Country, it was stated, had plenty of raw materials for margarine on hand and if necessary would use more of this product.

Egg Outlook

Great stress was laid on Britain's desire for eggs. Unlike bacon, butter, cheese and meats, which, while rationed, are selling in the Old Country at controlled prices no higher than in Canada, eggs have been scarce and expensive. Eight cents apiece and get them when you can is the rule.

Canada has very little export trade in eggs, but some months ago after a request from the British Food Ministry agreed to boost exports. By various devices considerable quantities were collected and shipped.

Production difficulties are now being encountered and prices are rising sharply. Increase or even maintenance of present exports to Britain seems to depend largely on how willingly Canadian consumers will submit to rationing. In the long run, of course, present higher prices, if approximately maintained, would be sufficient to stimulate production though this would be a matter of a year or several years.

The Week in Business

Current business continues at high level, with D.B.S. index of business activity for week ended June 21, higher than in previous week and more than 8% above last year.

Railway carloadings for third week of June up 10% from year ago. Total for year to date up 15%.

Railway gross traffic earnings for week ended June 21 and for 1941 to date continue well above 1940 levels.

Iron and steel production show large increases in May. Cumulatives for five months up 11% for iron and 21.3% for steel.

Employment indices as at April 1 show good gains in both monthly and yearly comparisons, index for all industrial employment being 26% higher than year ago, and index for manufacturing 28% higher.

Trend of business shown by The Financial Post Business Index, new items for the week being marked thus*.

TREND OF BUSINESS—	June 21	June 14	June 7	May 31	June 22/40
Weekly index of business, D.B.S.	113.4	113.3	110.7	111.3	104.4
Commodity prices index no.	89.8	89.3	89.0	88.7	81.5
	May	**Apr.**	**Mar.**	**Feb.**	**Year Ago**
The Financial Post business index	*130.1	147.9	150.7	152.5	136.2
National Income, D.B.S.•	....	434.7	413.3	413.3	375.3
Retail sales index no.	....	135.4	129.3	130.6	110.0
Dept. stores sales index no.	129.6	133.3	124.9	126.1	108.1
Wholesale sales index no.	....	141.5	125.2	110.6	115.1
*Country store (% change pr. yr.)	+8.8	+13.3	+5.5	+4.4	+8.5
EMPLOYMENT INDEX Nos., D.B.S.	**May 1**	**Apr. 1**	**Mar. 1**	**Feb. 1**	**Year Ago**
*All industries	....	141.3	135.3	135.2	111.9
*Manufacturing	....	158.2	150.8	147.4	123.4
Living costs weekly budget	$18.30	$18.23	$18.16	$18.13	$17.85
			Jan. 1 to date		**%**
RAILWAYS	**1941**	**1940**	**1941**	**1940**	**Change**
*Carloadings (week June 21)	65,881	59,400	1,434,173	1,243,137	+15.3
*C.N.R. gross (week June 21) $	6,008,579	5,063,551	133,872,376	107,131,411	+24.9
*C.P.R. gross (week June 21) $	4,204,000	3,430,000	93,930,000	70,657,000	+32.9
C.N.R. net revenue (May) $	7,788,841	3,511,934	25,279,769	10,638,876	+137.6
*C.P.R. net revenue (May) $	4,181,819	2,464,383	15,851,390	9,712,951	+63.2
IRON AND STEEL—(May)—					
*Pig iron production (tons)	113,624	93,254	513,238	460,971	+11.3
*Steel ingots and castings prod. .... (tons)	206,110	174,417	961,272	792,033	+21.3
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Apr.)	16,082	15,453	39,809	40,452	—1.6
Factory output ... (May)	9,840	12,677	56,661	63,547	—10.8
Trucks and Buses:					
Domestic sales* .. (Apr.)	4,756	3,381	12,886	9,986	+29.0
Factory output ... (May)	16,745	8,600	70,457	29,435	+139.5
Financing:					
Used .... (May) $	6,811,637	5,388,290	22,766,612	16,542,214	+37.6
New .... (May $	5,295,969	5,041,701	18,905,977	15,632,374	+20.9
CONSTRUCTION—					
Contracts awarded . (May) $	40,875,600	28,093,800	129,719,100	86,338,500	+50.2
Cement prod., bbls. (Mar.)	378,000	252,000	962,746	646,862	+48.8
AGRICULTURE—					
Flour prod., bbls. .. (Apr.)	1,660,897	1,344,293	5,777,126	5,114,428	+12.9
Flour exp. bbls. .. (May)	1,340,258	722,595	3,710,768	3,242,698	+14.4
Wheat exp., bush. .. (May)	29,622,929	23,466,320	75,907,722	54,132,175	+40.2
Cattle sales▲ .... (May)	80,191	73,908	393,622	376,899	+4.4
Hog sales▲ .... (May)	455,330	402,991	2,610,177	1,999,245	+30.5
SEA FISHERIES—‡					
Catch, cwts. .... (May)	978,800	1,072,700	2,601,800	4,015,500	—35.2
Landed value ...... (May) $	2,044,600	1,720,000	4,721,230	4,561,900	+3.4
NEWSPRINT—					
Production, tons ... (May)	284,767	323,563	1,347,437	1,326,644	+1.5
Exports .... (Apr.) $	13,018,979	12,317,752	43,917,357	39,329,845	+11.6
MINING AND OILS—					
Coal prod., tons ... (Apr.)	1,214,050	1,273,015	6,034,956	5,837,209	+3.3
Coal import, tons .. (Apr.)	516,736	595,297	2,258,129	1,940,612	+16.3
Gold rec., fine oz. . (May)	448,436	401,431	2,134,248	2,013,036	+6.0
Crude oil imp., gals.† (Apr.)	79,922	75,865	261,046	245,569	+6.3
ELECTRIC POWER OUTPUT—(April)—					
Total monthly, 1,000 kw h.'s	2,693,353	2,398,722	10,366,931	9,718,053	+6.6
FOREIGN TRADE—♦					
Imports .... (Apr.)	106,268,419	85,979,519	402,264,731	304,859,113	+31.9
Exports .... (Apr.)	118,425,050	84,692,678	410,905,304	331,325,726	+24.0
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.:					
1,000 bd. ft. .... (May)	152,756	160,223	782,052	739,828	+5.7
Shoes, prod., pr. ... (Apr.)	2,691,248	2,186,128	9,332,440	8,781,974	+6.2
Cotton consump., lb. (May)	16,502,650	17,754,952	82,704,476	81,222,127	+1.8
Raw rubber imp. lb. (Apr.)	5,669,217	6,934,823	36,901,246	31,690,594	+16.4
*Cigarette cons. No. † (May)	654,332	808,275	3,143,560	3,125,320	+0.5
Sugar manufactured .. lb.‡	71,548,490	93,878,138	263,580,726	276,339,768	—4.6
FINANCE—					
Bank debits† .... (May) $	3,265,872	3,339,598	14,569,469	14,320,105	+1.7
Bond sales† .... (May) $	115,118	480,684	433,334	1,098,017	—60.5
Life insurance sales (May) $	36,172,000	31,779,000	165,096,000	159,838,000	+3.3

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▲Total at yards and plants.
New items for week marked ■
†000's omitted. ‡For four weeks to May 17. ♦Gold excluded.
•Millions of dollars.

B.C. Electric Protests Wages

From Our Own Correspondent

VANCOUVER. — Though protesting that the six cents an hour increase awarded its street railway employees by the majority award of an arbitration board is "unjustified and contrary to the Dominion Government war wages policy," the B. C. Electric Railway has decided to accept and carry out the terms.

President W. G. Murrin stated that the company has been penalized because it restored wage deductions at an early point in the depression, and the chief reason for the award was to restore the 1936 standard of living. Had the company not increased wages before, the standard would have been less and the basis for the new arbitration would have been lower.

"Under the reasoning of the majority award the more a firm cut wages during the depression and the slower it was to restore such reductions, the more favorable award it would get," stated Mr. Murrin.

The award will cost the company about $250,000 a year.

Beauharnois Deal Queried

From Our Own Correspondent

The Quebec-Beauharnois deal; discriminatory taxes, and the problem of encouraging greater savings in wartime, were featured by G. A. Gaherty of Montreal, in his presidential address at the Canadian Electrical Association convention at the Seignory Club.

Outstanding event of the year for the power companies, he reported, was the deal whereby the Province of Quebec is to receive over $7 million from the Dominion Government and acquire the Beauharnois property.

Hopes for Solution

The timeliness of the deal was questioned by Mr. Gaherty, who also pointed out the Dominion treasury would be losing many "millions of dollars a year in tax revenue from the power companies."

"It is likewise disturbing," he went on to say, "to have the Quebec Government depart from its traditional policy of not engaging in business. The transaction, however, is not yet consummated and it is hoped that with further consideration a more satisfactory solution of a difficult problem can be worked out."

Speaking of what he termed discriminatory taxation, Mr. Gaherty said it was idle to complain about discrimination in taxes unless "we have some practical alternative to offer, one that would eliminate the discrimination without creating others equally objectionable."

The sharp increase in income of the wage earners, he said, created a problem. They had gone in heavily for spending, largely for luxury type of goods, the demand for which had an adverse bearing on the war effort.

Stating that governments, corporations and individuals will have to scrimp and save, Mr. Gaherty went on to say: "In our own business we are no longer concerned with promotional activities. Our problem now is to carry the war load with the minimum of current expenditures, whether for capital or operation."

B. C. Apple Growers Pleased Salmon Men Deadlocked

From Our Own Correspondent

VANCOUVER.—The two important contributions that British Columbia can make to the supply of foodstuffs to the United Kingdom are in canned salmon and fruit.

During the past week growers and shippers of fruit had cause for gratification as the Canadian Government closed an agreement guaranteeing a return for the Okanagan and Kootenay apple crop on 4.6 million boxes of the 1941 crop, but on the salmon front there was gloom and deadlock.

Several weeks ago the British Government announced its readiness to take 1.2 million cases of a total maximum pack of 1.7 million cases—a very large order, and at prices somewhat higher than those ruling in 1940. But fishermen and packers have failed to agree on division of the price between the two groups and as this is written there is no sign of early agreement.

Representatives of the boat owners' union wrote to Hon. J. E. Michaud, Minister of Fisheries, outlining the views of the fishermen in opposition to the rates offered by the packers. Mr. Michaud replied that the Dominion Government was not intervening; that it had not fixed the prices; and that Britain's Ministry of Supply had stated quite definitely what it would pay.

If agreement was not reached, said Mr. Michaud, there was a possibility that the whole deal for the major salmon pack would collapse. The offer of the packers, which was turned down by the fishermen, called for 9 to 10 cents a pound for sockeye, 6 to 7½ cents for cohoe and blueback, 6 cents to 7½ cents a fish for pinks and 10 to 15 cents a fish for chums.

Fruit growers, on the other hand, were well satisfied with their sales agreement, which will act as an insurance against loss. The crop is estimated at much less than last year—probably not more than 4.1 million boxes of apples. The Government has agreed to pay the growers 40 cents a box for any difference between actual yield and 4,600,000 boxes. Thus, if 4 million boxes are sold, then the government will reimburse the growers at 40 cents for 600,000 boxes.

Berry packers, on the other hand, are somewhat worried. They have orders from Britain for 1,700 tons and the crop, due to heavy rains in the growing season, may make it impossible to attain that quota.

Nfld. Fish Exports Decline During May

Exports of salt codfish from Newfoundland in May slumped from the same month last year. There were 13,845 qtls. exported during the month, compared with 114,036 qtls. in the same month last year. Principally responsible for this sharp decline was the fact that Portugal and Italy imported no fish during the month. In May, 1940, exports to these countries were at high levels. Other shipments were generally lower.

Exports for the 11 months ended May 31, however, were up moderately from the same period of the previous year.

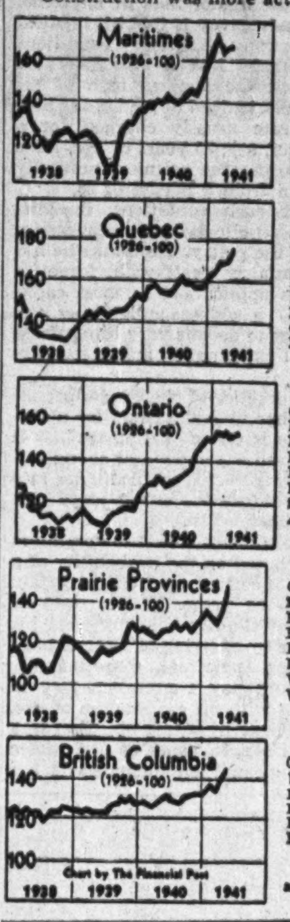
Shipment of shore and Labrador fish in the 11 months totalled 921,495 qtls., compared with 906,998 qtls. in the corresponding period of the previous year. Salt bulk shipments totalled 81,745 cwt., against 80,825 cwt. in the corresponding period of the previous year.

Business More Active In All Economic Areas

Business in Canada is showing improvement in all five economic areas. The Financial Post Regional Business Indices for May, accordingly, show good gains over both the preceding month and the same month of 1940.

The rise in the index for the Prairies for May over April was most noticeable, amounting to 9.2%. It was due largely to abnormal wheat deliveries during the month. Electric power generated showed an increase in all areas as compared with the previous month, and in all areas except Ontario over last year. The decline in Ontario from 1940 was only 1%.

Construction was more active in all areas.



Trend of Business in Economic Areas

	May 1941	% Change from May 1940	April 1941
Maritimes:			
Constr. contr. .... $	3,181,000	+164.0	3,144,000
Bldg. permits .... $	644,000	—23.7	683,000
Life ins. sales ... $000	2,560	+2.4	2,467
Bank debits . $000,000	75.9	+5.7	73.8
Elec. pwr. .. kw.h.000	86,780	+10.1	77,650
Employment*	135.6	+21.3	135.1
Index	167.5	+16.7	166.9
Quebec:			
Constr. contr. .... $	11,840,000	+31.1	8,362,000
Bldg. permits .... $	4,774,000	+60.5	3,175,000
Life ins. sales ... $000	9,518	+14.2	9,939
Bank debits . $000,000	924	—5.4	821
Elec. pwr. .. kw.h.000	1,161,645	+6.3	1,113,843
Employment*	143.1	+27.5	137.7
Cotton consump., lb.	16,502,650	—7.1	17,114,949
Newsprint prod., tons	284,767	—12.0	279,996
Index	172.2	+11.8	169.1
Ontario:			
Constr. contr. .... $	22,074,000	+56.4	9,934,000
Bldg. permits .... $	7,744,000	+18.7	8,507,000
Life ins. sales .. $000	16,310	+16.4	15,949
Bank debits . $000,000	1,449	+3.3	1,390
Elec. pwr. .. kw.h.000	937,761	—1.0	902,750
Employment*	152.0	+27.9	145.7
Steel prod. ...... tons	206,110	+18.2	200,680
Auto. prod. ...... no.	26,585	+24.9	27,584
Index	154.3	+19.0	152.4
Prairie Provinces:			
Constr. contr. .... $	2,484,000	+6.0	1,988,000
Bldg. permits .... $	1,675,000	—7.4	1,745,000
Life ins. sales ... $000	4,884	+24.7	4,253
Bank debits . $000,000	633	—10.8	516
Elec. pwr. .. kw.h.000	206,177	+10.3	193,325
Employment*	116.7	+20.7	111.3
Wheat receipts .. bu.	32,543,000	+351.5	24,025,000
Wheat prices**	76	—4.3	75/6
Index	149.6	+17.5	137.1
British Columbia:			
Constr. contr. .... $	2,496,000	+29.0	1,139,000
Bldg. permits .... $	1,736,000	+2.2	1,489,000
Life ins. sales ... $000	2,398	—6.1	2,391
Bank debits . $000,000	183.2	+3.1	183.4
Elec. pwr. .. kw.h.000	202,536	+17.3	194,191
Employment*	129.4	+25.9	116.8
Index	144.1	+10.3	140.6

*1926=100. Employment figures apply to April and March.
**Cents and eighths of a cent per bushel.

Large Demand for Lumber In Domestic Market Seen

From Our Own Correspondent

MONTREAL.—An active domestic demand for lumber for the immediate months ahead is forecast by the Maritime Lumber Bureau.

The factors influencing demand are listed by the bureau as follows:

Dominion-wide industrial construction connected with the war effort is on a large scale;

Construction of wartime houses is being undertaken in an increasing number of Canadian centres;

A better than normal demand is developing for residential buildings;

Construction contracts for the year to date are more than 50% greater than the same period of 1940; and

Furniture trade is reported unusually busy and buying heavily in the hardwood market.

Respecting the export situation, the bureau reports the main position at present is as follows:

Shortage of shipping space is being felt by exporters on both the western and eastern coasts;

Shipments to the United Kingdom are light. There has been no suggestion shipments will be completely reduced for the balance of the year, but estimates of the total volume of this trade for 1941 run as low as 25% of the 1940 figure;

Increasing business from the United States is reported, which has continued to develop due to the vast defense programme in that country.

Warns on Cut

In consideration of the factors influencing the home and export markets, the Maritime Lumber Bureau cautions operators against undue pessimism concerning outlook for present stocks. The bureau points out, however, that when planning the cut for this summer and next year's cut, operation should only be on a scale that will enable the quantities produced to find a ready market and thereby lessen the possibility of risk.

McINTYRE REGULAR

The regular quarterly dividend of 55½ cents a share has been declared by McIntyre Porcupine Mines payable in Canadian currency on Sept. 2 to shareholders of record Aug. 1.

ELECTED TO CURB

D. Arnold Skelly, co-manager of A. M. Kidder & Co.'s Montreal office, has been elected member of the Montreal Curb Market. Mr. Skelly has been associated with A. M. Kidder & Co. and its predecessor, Jenks-Gwynne & Co., since 1927. He was appointed manager of the Burlington, Vt., office in 1930. He is also co-manager of the Rutland, Vt., branch of the company.

ARE YOUR VICTORY BONDS SAFE?

The Bank of Toronto will lease to you a Safety Deposit Box at a rental of less than 1¢ per day. It will provide worthwhile protection for your Victory Bonds and other important personal papers and valuables. May we suggest that you drop into our nearest Branch Office and ask for detailed information.

THE BANK OF TORONTO
Incorporated 1855

SDI-41

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches: These facilities are at the disposal of our clients at any of our offices:

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
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RED DEER BRAND

BIRCH and HARD MAPLE FLOORING

"This name has long been associated with High Grade Hardwood Flooring and Northern Hardwoods; Spruce and Hemlock."

The MUSKOKA WOOD MFG. CO., Limited
HUNTSVILLE — ONTARIO

Before you insure... consult Confederation Life Association

United States Fidelity & Guaranty Company TORONTO

FIRE INSURANCE WITH Dividends YEAR AFTER YEAR

Under the Northwestern Mutual plan, dividends paid policyholders in 1940 totalled $1,463,589. Since organization over $27,900,000 has been returned to policyholders.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
CANADIAN HEAD OFFICE · VANCOUVER

The WAWANESA Mutual Insurance Company Organized in 1896

Assets $2,894,436.70
Surplus 1,513,855.65
Dominion Gov't Deposit 1,041,353.86

Write for Financial Statement
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

Staff Changes

The Canadian Bank of Commerce announces the following staff change:

H. F. WALLACE, accountant, Nelson, B.C., to be manager, Vanderhof, B.C.

The Bank of Toronto announces the following staff change:

W. A. WALTERS, formerly accountant, main office, Vancouver, appointed manager, 545 Georgia St. West, Vancouver.

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The Bank of Nova Scotia announces the following staff changes:

G. H. WILLIAMS to be accountant at Hintonburgh, Ottawa.

A. K. DIXON to be accountant at Sudbury, Ont.

• • •

The Royal Bank of Canada announces the following staff changes:

M. ANDREW to be manager, Deloraine, Man.

A. B. O'CONNOR, manager, Comber, Ont., to be manager, Warkworth, Ont.

V. KERR to be accountant, Fort William, Ont.

A. J. MACKENZIE, accountant, Smiths Falls, Ont., to be accountant, Victoria Ave., Westmount, Que.

M. H. ROBINSON to be accountant, Montreal.

H. A. LAWSON, manager, Deloraine, Man., retires on pension.

Bank Chat

New branches of Canadian chartered banks recently opened are:

Bank of Montreal at Stephenville Crossing, Nfld., to be operated as a sub-agency to St. George's Nfld. branch. Service Tuesday and Thursday will be given.

Canadian Bank of Commerce at Port McNicoll, Ont., a sub-agency to Midland branch, giving service Tuesday and Thursday. The sub-agency of the bank at Victoria Harbor will in future be open Monday, Wednesday, Friday and Saturday.

NOTICE

Notice is hereby given that the INSURANCE COMPANY OF NORTH AMERICA has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-757 authorizing it to transact in Canada the business of Real Property Insurance and Weather Insurance, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

NOTICE

Notice is hereby given that THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-756 authorizing it to transact in Canada the business of Real Property Insurance and Weather Insurance, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

Stock Market Dullness Reduces Call Loans

Smaller Volume of Transactions Reflected in Shrinkage of 50% in Month-end Total of Loans Since Beginning of 1939

With stock exchange activity continuing to shrink, call loans of the chartered banks are showing a steady decline.

Consequently the revenue of the banks from this source, it is understood, is smaller. Call loans have never been regarded a major source of income like current loans, but they have made an important contribution to revenues and the loss in bank income entailed must be made up somewhere.

Call loans are usually regarded as the loans made on securities to people trading in stocks when stock markets are active.

Before the Depression

In predepression days people investing or speculating in stocks sometimes paid outright for their purchases. More often they financed their operations mainly by a loan from the banks, either directly or through their broker. Thus a speculator buying stocks on a 30% margin would pay 30% of the value of the securities out of his own funds and then borrow the remaining 70% either from his broker or possibly directly from the bank. If he borrowed from the broker, the broker probably borrowed the money from the bank. In either case the bank made the loan. Loans of this type are called call loans because they are subject to immediate termination by either the borrower or the lender.

They were usually made by the banks on three main classes of security:

1. Stocks and bonds of a readily marketable type, the value of which must be kept at all times at a stated percentage above the loan.

2. The financial responsibility of the broker.

3. The financial responsibility of the buyer of the stocks who, having invested a certain amount of money in the securities concerned, is likely to make every effort to maintain his margin rather than have the loan terminated, his stocks sold and his margin lost.

Interest Rate

The rate of interest the banks get varies with the nature of the security offered. Money lent on high grade government bonds would not bring as high an interest rate as where the risk was greater. The demand for call money in times of stock market activity was also an important factor. The rate frequently fluctuated from day to day or even from hour to hour especially in New York, according to the demand.

Before the depression, in September, 1929, the call loans of the chartered banks totalled $280 millions. From then till Oct., 1935, they steadily declined, reaching $73.7 millions in October, 1935. They then began to recover and moved upward till the fall of 1937. Since then they have fallen steadily.

The table following shows the trend of call loans since January, 1939.

The figures at the end of April, the latest available from the monthly statements of the chartered banks, it will be noted, are less than half that at the beginning of 1939.

Call Loans in Canada
Millions of dollars

	1941	1940	1939
Jan.	35.8	47.7	62.6
Feb.	33.9	56.6	60.4
Mar.	35.1	51.8	55.7
Apr.	31.2	54.0	54.4
May	...	44.3	55.1
June	...	39.0	52.4
July	...	38.4	51.2
Aug.	...	37.5	49.1
Sept.	...	37.2	51.1
Oct.	...	40.9	53.4
Nov.	...	41.3	55.5
Dec.	...	40.2	52.8

Bank of Canada Reserves Up

Holdings of Sterling and United States Dollars Show Further Gain

Sterling and United States exchange reserves with the Bank of Canada continue to accumulate. The statement of the bank for the week ended June 25 shows an increase of $34 millions.

Since the beginning of the year these reserves have increased approximately $350 millions or more than 1,000%. The rise is believed to be entirely in sterling. It probably represents payment made by the British Government or private British importers for goods shipped from this country. Private Canadian exporters, getting paid in sterling, exchange it for Canadian dollars and the sterling eventually lands with the Bank of Canada. There it may be used to repatriate Canadian securities held in Britain or it may conceivably be kept by the Bank of Canada till the end of the war when it can be converted in the ordinary way. Holdings of short term Dominion securities were slightly lower while long terms were higher.

Dominion Government deposits with the Bank of Canada were again up, reflecting proceeds of the war loan. The rise was $66 millions to $231 millions.

Note circulation was a shade lower, a development often seen at the beginning of the vacation season. This year the tendency may not be as marked as usual, as the number of soldiers will not diminish, while vacation business may be more active than usual owing to the spendings of people with higher income.

	June 25 1941	June 18 1941
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	388,331,559	388,731,347
Rest fund	3,722,910	3,722,910
Depos.: Dominion	231,417,221	165,596,528
Banks	222,071,951	231,335,532
Other	4,180,404	8,424,493
Total deposits	457,669,576	405,356,553
All other liabs.	10,847,885	11,005,412
Total liabs	865,571,930	813,816,222
Assets		
In sterl. & U. S.	294,809,715	260,780,215
Subsid. coin	593,426	681,510
Advances	3,000,000	1,500,000
Investments:		
Dom. govt. short	399,843,313	404,168,837
Other Dom. gov.	141,259,600	126,469,036
Total invest.	541,102,913	530,637,873
Premises	1,785,382	1,784,787
All other assets	24,280,494	18,431,837
	865,571,930	813,816,222

Insurance Notes

Agents of the Crown Life Insurance Co. in Canada, the United States and the West Indies have unanimously decided on account of the war to forego their Triennial Convention due to be held in August at Minaki, Ont. Instead, the cost of the convention has been subscribed to the Victory Loan. The company itself bought $1.2 million of the bonds.

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Life insurance for women is attracting considerable attention in the United Kingdom. It is argued that women, while exposed to danger, are not exposed to the same extent as men. It is also stated that in modern times they often have as much need of providing for their old age as the men. A further argument is that many women who are earning now will not always be employed, and that life insurance provides a method of saving for the future as well as helping to provide something for their relatives in case of death.

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Birth and marriages are usually watched closely by life insurance underwriters as providing leads for new prospects. The newly married husband and the man just become a father are usually considered likely to capitulate to the salesman's arguments fairly readily.

Both births and marriages in 1940 were considerably higher than in the previous year, according to a bulletin just issued by the Dominion Bureau of Statistics. Births in Canada in the 12 months were 243,566 compared with 229,468 in 1939. Marriages were 123,988, up almost 20,000 from the previous year.

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J. D. Buchanan, assistant general manager and actuary of the London Life Insurance Co., was recently re-elected president of the London Y.M.C.A. for his second term. Mr. Buchanan has been active in Y.M.C.A. work in London for some years, having been a member of the board of directors since 1935, and four years chairman of the finance committee.

Higher Auto Prices Make Accidents More Costly

Increasing values of automobiles because of higher production costs and increased taxes due to the war are raising a problem for the insurance companies.

Fire, theft, collision and property damage are all affected.

Normally indemnification under the four coverages noted is based on actual cash value, within a stated amount, at the time of the accident. The company is bound to make good the damage done by repair or replacement up to the limit stated in the policy. Thus if you carry property insurance of $1,000 and you damage another person's car, the company will make good the damage up to that amount. If the damage is greater you will have to make the excess good yourself.

Affect Settlement Values

Accordingly the higher values now ruling on both new and used cars affect the value at which claims for damage are settled. Thus if you damage the grille and radiator of another person's car, it will cost your insurance company more to repair or replace the parts in 1941 than it would in 1939.

For example an accident which cost an insurance company $200 two years ago might cost $300 now. Similarly a car, say, three years old, if burned or stolen in 1939, might have cost $500 to replace. In 1941 it might cost $650.

This tends, in the coverages affected, to increase the cost of insurance.

But the final cost of insurance is based not on the settlement of individual loss but the cost of the aggregate.

There are a number of factors tending to offset the effect of higher automobile prices on insurance rates:

For instance, automobiles are harder to get than they were. Prices are higher. Choices are not so wide. People are more careful. They realize that if they have an accident in which their own car is damaged it will not only cost more to repair the other party's car, but also to repair or replace their own.

The total experience therefore is being watched from all these angles.

Accident Rate Steadier

In some quarters it is also claimed there has been a steadying of the accident situation. These people say the accident ratio among insured cars, while possibly not any lower, is not increasing. The tendency, it is felt, is, if anything, downward.

If this trend were maintained it would offset the higher settlement values in the accidents which do occur.

Dosco's Iron Output On Lower Scale in May

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal. Corp. produced 34,000 tons of pig iron at its Sydney plant during May. This was the same output as in April, which had fewer working days, and was 3,000 tons less than in May, 1940.

Accumulative production at the Sydney plant for the current year to date amounts to 166,000 tons, an increase of 7,000 tons over the like period of 1940.

Are You a Substandard Risk?

Rating Up On Premiums Depends on Results of Medical Examination

Sometimes an applicant for life insurance gets a shock when his life underwriter brings his policy and tells him he will have to pay a premium rate higher than he expected. The reason given is that his medical examination disclosed conditions which make him a less favorable risk than the average man of his age. Thus, instead of paying the premium rate usually charged for a person of, say, 35 years of age, he is asked to pay the premium normally required from a person of 38.

Under such conditions, the disgruntled policyholder occasionally refuses the policy. He thinks he has been unfairly dealt with, forgetful that his application, in most cases, contains a clause authorizing the company to do this very thing if the medical examination makes it desirable.

This practice of charging a premium higher than the usual for a certain age is called "rating up." It is considered a principle of sound underwriting to charge this higher rate or else refuse the substandard risk altogether.

The argument is that the premium rate is based on the probability of a person of certain age living a certain number of years. If his state of health is slightly below normal his probability of living to a certain age is lower than normal. Consequently, he should pay a premium rate in keeping with his expectation of life. This is done by rating up. That is, a man of say 35 years of age whose physical condition indicates he has only 75% of the average chance of reaching age 65, is asked to pay a premium say 25% above the average. The figures are purely arbitrary and for example only.

Analogy in Fire Insurance

One illustration often used to bring out the idea is that of three men insuring their houses. One man has a brick house in a wide lot. He gets his fire insurance at a certain rate. The other man's house is brick veneer. He is just as careful about fire as the first man. But the fire insurance company will probably charge him a higher rate than the first. Then the third man has a house built entirely of wood. He may be the most careful of the three. But the chances are he will pay a still higher premium rate.

There is no reason why the three houses should not all be standing 50 years from now. But the fire insurance company estimates that if fire does come to all three, the frame house will have a poorer chance of resisting than the brick veneer and the brick veneer will have a poorer chance than the solid brick. Consequently the rate each should pay would be different.

In Life Business

The same consideration influences the life insurance company. The man of 35 whose constitution has been weakened ever so slightly by some childhood illness, or who is abnormally fat for his age or over-indulgent in his habits will likely offer less resistance to disease than the man who is normal.

Some companies make a practice of selling insurance to no applicant whose physical condition is not good enough to entitle him to the normal scale of premiums for his age.

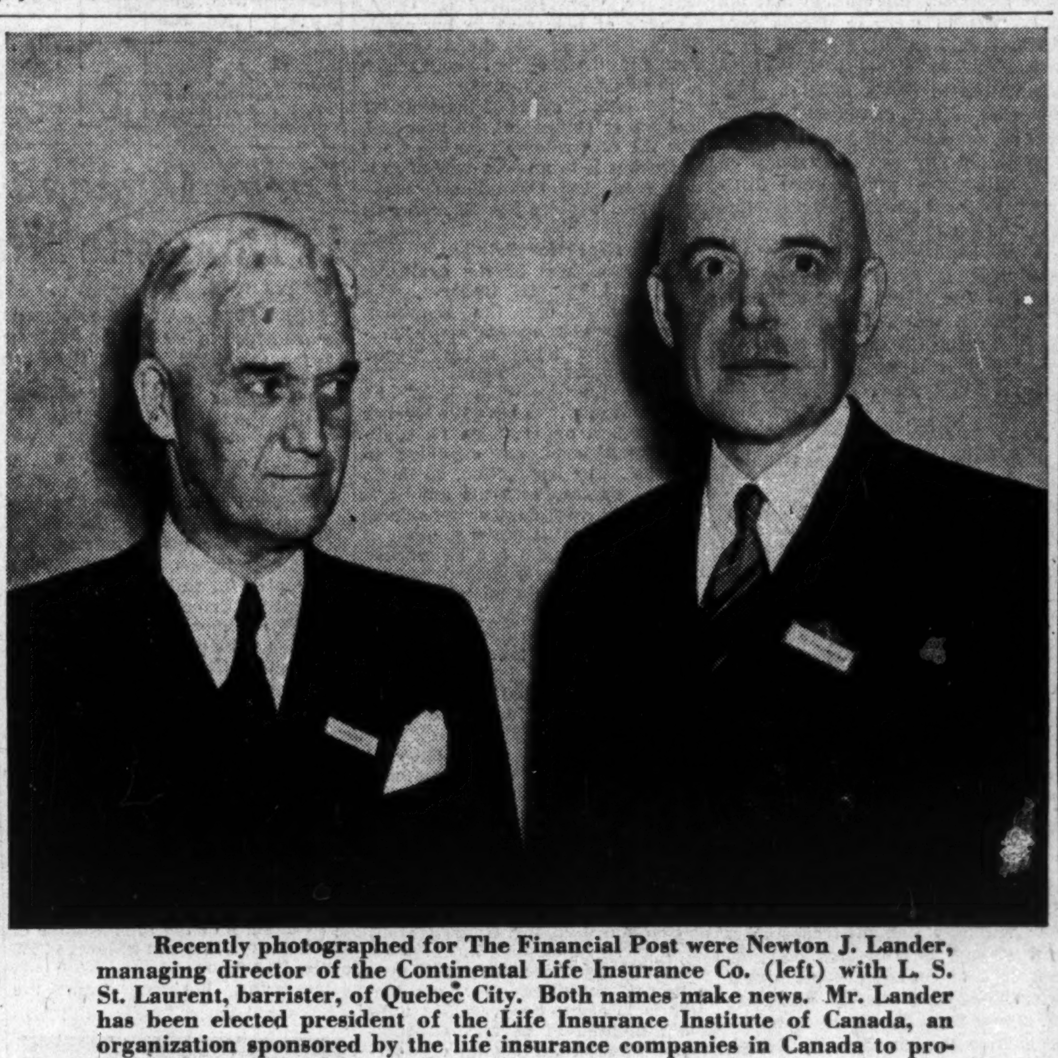
The extent to which these substandard risks are accepted and the care with which they are rated up has a direct bearing on the mortality ratio of a company. This, in turn, affects the policyholder through higher or lower dividends, etc.

Competition induces some companies to be lenient in charging higher rates. If this leniency is carried far the ultimate result on the company's affairs will be unfavorable.

Prevent Misunderstanding

To prevent any misunderstanding in cases of rating up, many life underwriters stress that the rate they quote is contingent on the applicant passing the medical examination as a normal risk. They also point out the clause in the application form authorizing the company to make such changes in the contract as they may think necessary in view of the medical examination. Then if the policy comes through at a higher premium rate than expected there is no ground for complaint.

Most people who have had an unsuspected infirmity appreciate it being disclosed and brought to their attention by the insurance examination. Cases are known where by taking measures to correct the weakness or delay its action, clients have actually improved their health and added years to their lives.



Recently photographed for The Financial Post were Newton J. Lander, managing director of the Continental Life Insurance Co. (left) with L. S. St. Laurent, barrister, of Quebec City. Both names make news. Mr. Lander has been elected president of the Life Insurance Institute of Canada, an organization sponsored by the life insurance companies in Canada to provide courses of study specially designed for men and women making life insurance their life work. M. St. Laurent, in an address in Toronto, stressed the traditional loyalty of Canadians of French descent for Britain and British institutions. Defense of the opportunities for free and peaceful lives on the North American continent he described as a duty over which no other could take precedence.

Decline Shown In Bank Debits

Due mainly to the smaller volume of trading on the stock markets, the amount of cheques cashed by the chartered banks in Canada in May was about 2% lower than in the same month last year. Productive operations, employment and wholesale prices were on a higher level than a year ago, but the decline in speculative trading in securities more than offset these gains.

Advances were shown in three of the five areas over the same month of last year, the gains per cent being as follows: Maritimes, 6%; Ontario, 3.3%; British Columbia, 3%. The decline in Quebec was 5.4% and in the Prairies 10%.

Compared with April an increase in the total was seen. All areas showed small gains except British Columbia, which was slightly lower.

Bank Debits to Individual Accounts
(Millions of $)

	May 1941	April 1941	May 1940
Maritimes:			
Halifax	42.1	41.9	41.2
Moncton	12.0	11.2	10.3
Saint John	21.7	20.6	20.3
Total	75.9	73.7	71.8
Quebec:			
Montreal	818.5	736.7	895.2
Quebec	95.5	75.6	73.2
Sherbrooke	10.0	8.9	8.8
Total	924.1	821.2	977.2
Ontario:			
Brantford	14.4	12.7	12.3
Chatham	8.5	9.2	10.2
Fort William	9.4	8.0	6.3
Hamilton	99.1	81.9	73.4
Kingston	8.6	7.8	8.9
Kitchener	17.7	17.0	16.4
London	39.9	37.8	40.4
Ottawa	215.8	242.1	156.7
Peterborough	9.7	8.9	7.7
St. Catharines	18.8	......	......
Sarnia	9.2	6.8	6.7
Sudbury	8.4	6.6	8.4
Toronto	925.2	891.4	1,007.8
Windsor	66.2	59.3	47.5
Total	1,449.4	1,389.8	1,403.1
Prairie Provinces:			
Brandon	4.6	3.6	3.3
Calgary	79.5	71.9	61.2
Edmonton	51.0	48.5	42.5
Lethbridge	5.5	5.3	4.6
Medicine Hat	3.0	3.2	2.2
Moose Jaw	10.4	9.9	6.8
Prince Albert	3.6	3.2	2.7
Regina	42.4	54.8	49.2
Saskatoon	14.1	12.1	12.2
Winnipeg	418.9	303.2	524.8
Total	633.2	515.9	709.8
British Columbia:			
New W'minster	8.8	8.6	7.3
Vancouver	143.4	143.4	142.1
Victoria	30.9	31.7	28.2
Total	183.2	183.4	177.7
Total for Canada	3,265.9	2,984.1	3,339.6

If You Want Wife Along Get Her a Special Job

Foreign exchange control regulations have gradually been tightened as regards Canadians travelling to the United States. An instance of this is seen in the case of a Canadian going to the United States on business, to a convention or for some similar purpose. Some months ago an official of the Foreign Exchange Control Board stated that such a man could buy the necessary Unted States funds and take his wife along provided only a nominal increase in the amount of American currency required was involved.

Now this is not allowed unless the wife is going on business too. If, for instance, the husband is going to a convention in the United States and the wife is a member of the reception committee for the convention, she has an official status and has a right to go on her own account. But if there is no reason for her to go, except for the trip, she would not be able to get necessary United States dollars.

Of course in cases where a relative in the United States is willing to finance the trip, there is no bar on her going, as in that case no purchase of American funds would be entailed.

Automobile Sales Show Recession

Sales of leading makes of passenger autos in Canada, which held above 1940 levels during the first few months of this year, dropped 23% in May. This converted a slight gain in the cumulative total into a decline for the year to date, it is shown by Canadian Automotive Trade's report on new passenger car registrations in Ontario, Quebec and the Maritimes.

Decreases were shown by all of the 12 leading makes, with one exception where volume of sales was relatively small.

New Passenger Car Registrations
In Eastern Canada
12 Leading Makes for the Month

	May 1941	May 1940	Yr. to Date 1941	Yr. to Date 1940
Chevrolet	2,037	2,506	7,731	7,678
Ford	1,529	1,756	6,119	5,963
Dodge	1,373	1,889	5,937	6,708
Plymouth	1,293	1,747	5,338	5,763
Pontiac	873	824	3,375	2,629
McL.-Buick	392	560	1,733	1,947
Mercury	377	403	1,682	1,419
Oldsmobile	334	509	1,473	1,598
Chrysler	255	503	1,261	1,723
Hudson	121	526	472	1,478
DeSoto	111	216	497	838
Nash	98	62	403	243
	8,793	11,501	36,021	37,987

Elkington Joins Board East Kootenay Power

From Our Own Correspondent

MONTREAL.—G. E. Elkington of Fernie, B.C., general manager of East Kootenay Power Co., was elected a director of the company at the annual meeting. He fills a vacancy caused by the death of Hon. Gordon Scott. Other directors were re-elected and reports adopted.

PRESIDENT

John Fanning, assistant manager for Ontario of the Employers' Liability Assurance Corp., has been elected president of the Insurance Institute of Toronto, for the coming year. Vice-presidents elected are R. J. Bastedo, London Guarantee and Accident Co.; W. H. Buscombe, Shaw & Begg Ltd.; and W. C. Butler, Pearl Assurance Co. The Insurance Institute of Toronto is the educational organization of the fire and casualty insurance companies in Toronto.

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Prairie Provinces Watch Fate of Alberta Act

Validity of the Alberta Debt Adjustment Act, now being tested in the Supreme Court of Canada, is being opposed mainly on the grounds that it denies creditors access to the courts and invades a Dominion legislative field. The test follows the province's application to the Supreme Court, is an outgrowth of the decision of Mr. Justice J. O'Connor of the Alberta Court of Appeals in March that the Alberta Act was ultra vires since it invaded the field of insolvency, now fully occupied by Dominion legislation.

Since the O'Connor decision, the Alberta Act has been amended on minor points, principally with respect to the degree of compulsion applied to creditors.

On the outcome of the present case will depend the status of the debt adjustment Acts of the provinces of Manitoba and Saskatchewan. Saskatchewan has filed a factum with the court declaring its endorsation of the Alberta arguments in respect of the Act.

Drafted in similar terms, the three provincial debt adjustment Acts allow access to courts only on permit of the debt adjustment boards, but the granting of permits has been considerably freer in Manitoba and Saskatchewan than in Alberta, it is understood.

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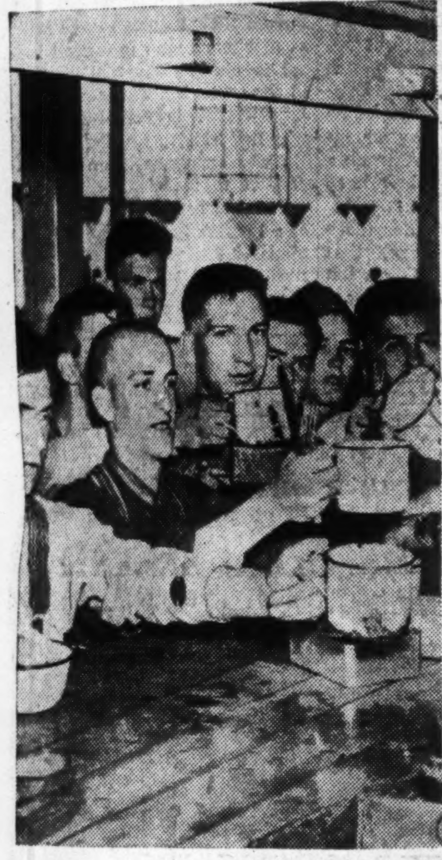
What French Canada Thinks About the War



There are about 50,000 French Canadians already serving in Canada's armed forces. Here are trainees at Valcartier. Bayonet drill (top); waiting for soup (lower).

"My people will not only match . . . but endure even greater sacrifices . . . because we have even more at stake"—Premier Godbout

Major Strange, former wheat king of Canada, is now head of research for Searle Grain Co., and author of the recently published book, "Never a dull moment."

By MAJOR H. G. L. STRANGE

What do the people of the province of Quebec think about the war? What do they think ought to be done? What sacrifices are they ready to make? What do they think about conscription?

Many in English-speaking Canada frequently find French-speaking Canada puzzling. Many are laden with prejudices which color the scant reliable information which they do secure. And for most, there is a ready assumption that the French-Canadian attitude toward the war, conscription and other wartime issues, is today unchanged from what is was in 1917.

I have just travelled through the province. I have been out in the farming communities—an opportunity not often enjoyed by English-Canadians.

Most important though, I have just spent some time with about 150 seed growers of Quebec, agricultural experts of the Quebec Government who spend their time going about the farming areas advising on crops, stocks and other farm matters. No body of men so intimately know the "habitant" mind and point of view. Many of them are my friends who would tell me nothing but what they earnestly believed to be true.

This was the annual meeting of the Canadian Seed Growers Association held at Oka, P.Q., and was attended—about half and half—by members from Quebec and English-speaking members from Ontario and each of the other provinces of Canada.

Here are a few quotations which I got in talking with French-Canadians. I report only these few samples because their words serve to show how others I talked to are thinking about the war.

"Put in conscription. It is the only fair way. It takes all the young fit men, rich and poor, from the farm and city, alike."

* * *

"The voluntary system of enlistment penalizes the patriotic young men who enlist and lets the slackers get ahead with good war job. Conscription, treating all alike, is the fair thing."

* * *

"There are too many old soldiers about who enlisted in the last war and who found the jobs filled on their return to encourage our young men to enlist today. But they are patriotic and want to fight and will fight if ALL the fit young men enlist, east and west, English and French are taken together."

* * *

"Some say the farmers of Quebec object to conscription. That's not true now. We are just as patriotic as anyone. Our young men fought well in the last war and will do so again if required, and it looks as if they will be. But keep politics out of conscription and out of the war."

* * *

"Only conscription will raise enough men for the army. The politicians promised our people 'No Conscription' and it has bewildered many. Explain to our people that their farms, their life, their schools, their churches, that Quebec and the Empire are at stake and they will accept conscription I am quite sure, but keep the politicians away from the people. Let these things be recalled by those they know and trust."

* * *

"I guess we must have more men in the army, so put in the compulsory selective draft like in the United States. Only a few will object. I'd like to see several divisions of all French Canadians. You know, we like to be together and sing our own songs on the march."

* * *

"I was in the last war and I saw too many men in the hospitals, too many sick and worn out, because they were too old when the army took them in. With conscription only the young and the fit are taken. Our French youths are good fighters and will be glad to help, but you must put in conscription to get all that are required, I guess. It's the same with the English-speaking, too, isn't it? I am sure our French people will gladly accept conscription if they are told it is necessary to get the men."

"If our premier M. Godbout tells us conscription is necessary, then we'll do what he says. Our people believe in him, you know. He is a very sincere man who knows and loves his French-Canadian people."

* * *

"The United States, a big country, and not yet in the war, already has conscription, I read. With Canada already in the war — and up to her neck in it — I guess we should have it too. Our Quebec people are ready for conscription or for anything else needed to beat Hitler, but you must conscript all young men, not just those of Quebec."

French-Canadians are just as willing — perhaps even more willing—than their English-speaking brethren to accept conscription right now and to make all sacrifices that may be required for victory. That is my conclusion from everything I saw, heard and was able to find out.

I did not go to Quebec expecting to find this. Like many others, I had the impression conscription was being deferred by Ottawa because it feared Quebec would oppose. I brought with me the ideas about the French-Canadian attitude to war which I had inherited from the first great war.

I did find, also, that during recent weeks when the situation has become increasingly grave, the eagerness of the French-Canadians has greatly intensified.

And the one man chiefly responsible for the French-Canadian fervor for a strong war effort is Premier Adelard Godbout.

Our convention was addressed by M. Godbout, twice and extemporaneously, first in French, then in English.

After the first few quiet sentences in French, the French-speaking members seemed suddenly to grow tense, and to give the speaker most unusual attention, then they seemed to catch fire, and almost to become part of the speech itself.

The English-speaking present sat quietly amused at the obvious ardor created by the address.

Then M. Godbout began speaking in English, evidently French translated in the speaker's mind into English words, logical and clear.

Soon the English-speaking too grew tense, gave the same wrapt attention, then, like the others became fired with the inspired words.

When the Divine Hand dips into the jars of precious essences and endows a new soul for the start of its earthly journey, sometimes a generous portion of some particular talent is given to the favored one. Mr. Godbout is very evidently so blessed.

What did he say?

He spoke hardly at all about Canada, but much about the British Empire. Of how those Canadians who spoke the French language owed privileges and rights and liberties they now enjoy to the British Empire, and of how, therefore, it was vitally necessary for the French-speaking Canadians to strive even harder than their English-speaking brothers to help the Empire in its desperate hour. "Because," said Premier Godbout, "in no other country in the world do our French-speaking people enjoy as many privileges and rights as they do here in Canada."

Mr. Godbout gave as his firm conviction that this was not the time for the Canadians who spoke French, or indeed, for any other Canadians, to think of privileges, of rights, of contracts, or of special liberties, but that instead this was a time for all simply to do their duty to the utmost, to fight in order to preserve the very life itself of the British Empire against the aggressor who is striving to tear it to pieces.

"In short," said Mr. Godbout, "the French-speaking Canadian people must engage in an active competition with the English-speaking people to see which group can make the greatest sacrifice for the Empire.

"I give the most positive assurance to the English-speaking Canadians," he said, "that my people will not only match every sacrifice others undertake, but that we shall willingly and gladly undertake even greater tasks, and be willing to endure even greater sacrifices than the English-speaking people, simply because we have even more at stake." "No sacrifice," Mr. Godbout continued, "can be demanded in the supply of money or of hard work or in the supply of young men for the armies that will be found too great for us to do."

The reaction of the audience was extraordinarily enthusiastic. "Another Laurier has arisen" was the general comment.

The women of French Canada know their war work. Girls (top) are learning the mysteries of motor mechanics to help serve when their time comes. Sisters serve families left home alone by fighting fathers.

—C. P. R. photo.

Guns Without Gunsmiths—Canada's Feat of Rifle Making

Small Arms Ltd. to Reach Peak Production By Year End, Double That by Next Spring

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Canada's first and only rifle plant of this war has got into production two months ahead of schedule—without a single gunsmith on the payroll.

The feat of planning the project, building and equipping the factory, and swinging into actual manufacture in well under a year, has been achieved entirely by Canadian personnel with no previous experience in rifle production.

In contrast with most other war supply projects the rifle job has been done without enlisting the aid of executive advisers, technical experts or key production men from outside the country. Nor have any members of either the production or executive-technical personnel had to be sent to England, or the United States to learn the technique of rifle making.

In fact, a large proportion of the present employees — many of them women — had never been in a modern industrial plant before, much less a gun plant. The number of workers in this category will rise considerably in the next six or eight months, as production is steadily stepped up by an expanding staff trained from scratch in the plant.

Small Arms Ltd., the Government-owned war supply company assigned to the undertaking, started "cold" last summer. It had nothing but blueprints, specifications, and instructions from England.

The first few rifles for test and checking purposes were turned out in the past fortnight, bulk deliveries will start about the end of July, and output will have increased to large volume at the turn of the year.

The rate of production slated for the end of the year will be doubled by the spring of 1942 by further plant expansion it is now planned to initiate shortly.

The new factory extension, slated to be built in the near future, will mark the second time since inception of the project that its scope has been substantially increased. The original plan called for capital outlay of $2.5 millions and a single building unit, construction of which was started Aug. 20, 1940, at the plant site at Long Branch, near Toronto.

This first structure had hardly been completed and occupied, last November, before it was decided to increase investment to $5 millions and erect a second building of equal size. This tripled potential output. Production facilities now cover approximately four acres of floor space. The third building now planned will not be as large as the other two.

The Small Arms factory is not the first ever to produce rifles in this country. The subsequently discarded Ross rifle was produced at Quebec in 1914-18. But this is the first since the controversial Ross venture, the first to get into production in this war, and—especially important—the first employing engineered mass production methods.

The equipment being turned out by Small Arms is a streamlined version of Britain's famous Lee-Enfield rifle. The mainstay of British armies in the last war, Lee-Enfields are still standard equipment.

New Type of Gun

But the type being produced by Small Arms, and at another factory in England, is a newly designed gun incorporating improved features. It is adapted not only to the intensified demands of modern warfare, but the requirements of modern mass production by precision methods which ensure highly accurate, fully interchangeable parts.

To do this called for detailed, scientifically drafted blueprints and specifications, especially for production as far from England as Canada.

The new rifle is basically the same in working principle and general appearance, and the weight is about the same at 9¼ lb. But the contours have been engineered along geometric lines in conformity with modern manufacturing requirements. The close precision of design and manufacture makes it a more accurate weapon.

Other changes include moving the rear sight from the barrel to a point at the rear of the breech; a four-edged bayonet of fluted design, about half the length of the old short-sword type; and a die cast zinc alloy shoulder plate on the butt, instead of the old brass type.

Use Canadian Maple

It is also planned to switch from walnut to Canadian maple for the wooden parts of the gun. This will assure continuity of supplies and lighten the weight of the rifle.

Machining, fabrication and assembly of the rifle is being carried out almost entirely at the Small Arms plant. Special metal tubing for a certain small part of the sight is brought from England. Spring metal, pins, strap pieces, and pressed metal sections for machining or other treatment are being obtained from other Canadian plants equipped to produce such standard pieces economically.

But the main metal sections of the gun are completely machined and fitted at the Small Arms plant, from rough billets and forgings of special steels turned out by Atlas Steels Ltd. at Welland. And a special woodworking shop at Small Arms does all the cutting and shaping of the rifle's wooden parts.

All the 96 parts of the rifle require great accuracy in production, tolerances running as fine as half a thousandth of an inch on some parts. Over 1,200 separate operations are required to make the gun, the body and breech section alone taking 196 operations, the barrel 58, and the bayonet 60.

These operations are performed by some 1,100 machine tools. A complete production line is now in operation, and additional equipment, now being installed, will permit multiple performance of many operations and consequent speeding up of production. Still more equipment will be installed, of course, on completion of the new building now planned.

The exhaustive engineering of the project, and the use of most modern types of machine tools, jigs, gauges, molds, patterns, etc., made it possible to get into operation with a high proportion of semi-skilled labor and unskilled workers trained in the plant. Apart from a nucleus of engineers and technicians from existing metal working industries, and skilled craftsmen such as tool makers and expert machinists, the bulk of the employees are semi-skilled men, specially trained technical school boys, and women workers trained on the job.

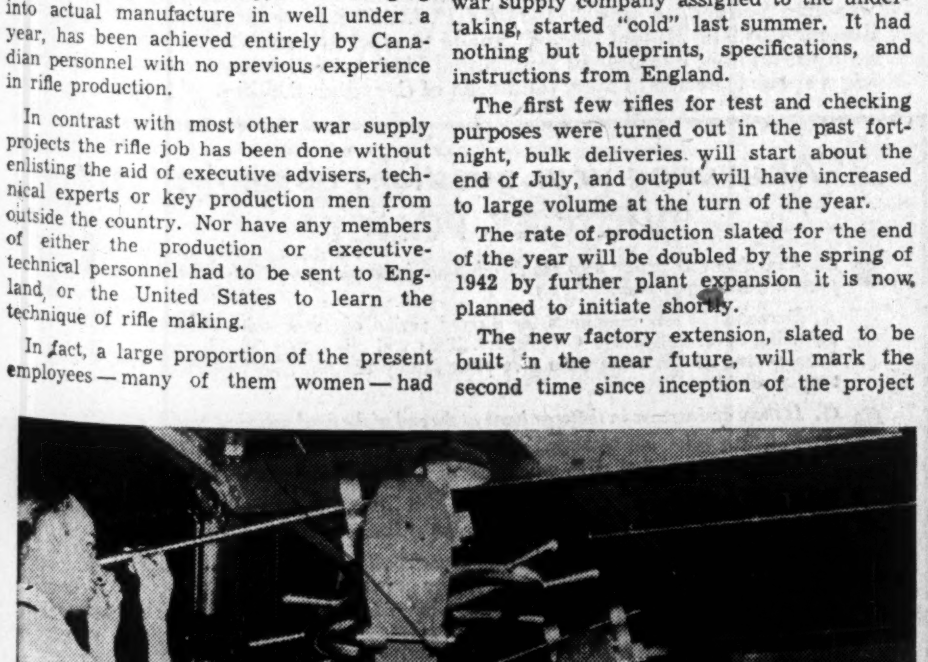
Of the present payroll of 550 workers, about 200 are girls and women. By the end of the year, women workers will form 60% of the 2,500 employees it is expected to have in the plant. Plant officials report that they have proved easy to train and exceptionally competent in handling repetitive work on controlled machines.

Even the intricate work of ensuring straightness of barrels, by sighting through them against the light, is being done by men trained in the plant. For this an expert in this operation was drawn from the Bren gun plant of the John Inglis Co. in Toronto, where such tests and straightening work have been in progress for some time.

Every effort has been made to assure good working conditions and high efficiency in the plant, making for accuracy in production, a low percentage of reject parts, and high output. Natural lighting conditions in the plant are exceptional, a strong north light being obtained in all parts of the factory by use of large windows in sawtooth roof bays and aluminum paint on the under side of the slanting roof sections.

Direction of the enterprise is headed up by G. S. Braden, president of Small Arms Ltd., who is also president and general manager of Canada Cycle & Motor Co. In active charge of Small Arms is Major M. P. Jolley, general manager, who was formerly associated with the Bren gun project as resident technical officer for the Government at the John Inglis plant.

In carrying out preliminary studies in connection with the Bren gun project, several years before the war, Major Jolley spent some time in the Lee-Enfield plant in England, where British Bren gun production was initiated.



Testing to ensure absolute straightness of barrels is one of the most delicate jobs involved in production of rifles. Here specially trained workers check straightness by sighting through the barrel against the light.

Production of rifles at Canada's only small arms plant is being carried out largely by girl workers. Above, a girl operator is performing one of the 1,200 separate operations required to produce the gun.

What Happens When German Army Marches In

Refugee Victim From Northern France Describes Nazi Technique for Industrial Looting

By GORDON L. SMITH
Staff Writer, The Financial Post

Many have wondered what would happen if we wakened some morning to find the German army in full possession of our home, offices or factory. In Canada today there is a man who went through that very experience in France, a little over a year ago.

He saw the Nazis march in and establish absolute control, then their deliberate attempt to make friends with the people they had conquered. At the same time he saw the country systematically looted of goods and services but in a way that few workers or peasants understood. For most obvious reasons he asked The Post not to mention his name or connections but he willingly disclosed all other details. I will simply call him Mr. A.

Mr. A is a prominent businessman who for the past decade has been associated with the heavy industries in France and Germany. Living over there he has been able to acquire a most intimate knowledge of both countries. He was the owner of a plant which employed several thousand men making fairly heavy machinery for local demand and also for export to neighboring Holland and Belgium. Some war work for the French Government was also being handled.

Invasion

Although rumors were plentiful about the rapid German advance, there was neither official warning nor instructions. One morning the sound of guns was heard and practically every civilian in the town engaged any means of transport he could command, and evacuated.

These people might have saved themselves the trouble. As a matter of fact, the bulk of them were soon cut off in any case and the battle never got close to their town. Within a very short time those who had left on foot drifted back.

Before he left, Mr. A followed the usual custom and put a couple of watchmen in charge. The factory was shut up as well as time and confusion would permit. Again this precaution proved to be almost unnecessary. Except for foodstuffs, bedding and clothes, there was little looting in this part of France. Coal and lumber and such equipment as small portable motors disappeared but that was practically all.

When Mr. A returned he found part of his factory being operated by a German officer, with a dozen technician assistants. They were making repairs for vital bridges destroyed over northern France. The enemy officer was polite. At first he maintained that the factory had been requisitioned. This was contested and finally an arrangement was reached whereby the former management was allowed to take charge of operations, conduct its normal line of business as far as possible—the German had hopes of an export trade then—but at the same time undertake to supply the German army with whatever it required and which could be produced at the factory.

For some time the German officer would only agree to meet direct labor costs. Material was to be requisitioned with the idea that the French Government would ultimately pay for it, and salaries were to be absorbed by the company.

When, however, the occupying forces began to print their own paper money, on the basis of 20 francs to 1 synthetic mark, even the German could see that it made not the slightest difference what the bill totalled, it would all come out of the French people anyway. Regular orders were then passed on to the works and full payment was made.

German Control

That arrangement continued and gradually the factory went back to its original manufacture though on a greatly reduced scale. The officer occupies an office in the plant and is directly in charge of his small staff of technicians who check specifications, etc. Except for the fact that he assures the supply of necessary raw materials, his function seems to be almost exactly the same as a chief government inspector and staff in the ordinary Canadian factory engaged on war orders.

There is no swaggering, not even German guards. Aside from the fact that the whole of occupied territory is under martial law with German policemen operating almost exclusively and German garrisons here and there, life seems to go on about the same as in any country under war conditions.

Sabotage is Out

Immediately one thinks of sabotage, but Mr. A shook his head slowly. "There does not seem a chance of that," he said decisively. "The Germans have a simple, quick and so far most effective cure."

During the immediate invasion, he said, there was a man or two shot for looting or sabotage in almost every town in occupied France, Belgium and Holland. That was the first lesson. Then followed, so deliberately that it must have been well understood by the German authorities long previously, a general plan of stamping hard on the first threat of general sabotage. This was simple.

If a telephone line is cut for example, the German military police appear on the scene and without the slightest attempt to secure the real person responsible, the nearest hundred men and boys are rounded up and packed off to local prison or a concentration camp in Germany, depending upon the seriousness of the damage. Within an amazingly short time that lesson was learned and from then on, Mr. A stated, 95% of the French people themselves were on guard against sabotage.

Being the owner of a large and vital plant Mr. A had an unusual opportunity for observing the operation of industry throughout a great deal of the occupied territory. From this observation he believed that his own experience was typical. In any French, Belgium or Holland industry that could be used directly or indirectly for war purposes the Germans offered the encouragement of reasonable prices in their worthless paper money, and a supply, wherever possible, of vital raw materials. In only rare cases, to his knowledge, were factories stripped of machinery for shipment to Germany.

In a few French industries, notably the production of linen, pressure was applied to speed up production, the greater part of which was shipped in Germany. In general, however, the supply of raw materials, especially wool, cottons, coke and some other lines is so scarce that industry in the whole of France is only able to employ a small percentage of the workers who were on their payrolls before the invasion.

Germans Acquire Control

As for the non-war industries, the Germans appear to be either acquiring control through the stock market or forcing them into bankruptcy. The latter process is hastened by the simple expedient of forcing small factory owners and storekeepers to operate at a loss under the pretext of keeping men off the streets.

The general intention undoubtedly is to force France back to the status of an agricultural country, except for specially suitable or war industries which are being absorbed into German hands. Rapidly aiding this transformation is the huge indemnity the French people are being forced to pay. This sum, 400 million francs, nominally $10 millions a day, is supposed to equal the cost of occupation. Actual cost of occupation, however, is not believed to be more than half that amount, with the substantial difference being used by the Germans to accquire ownership of French industry and business.

This ownership, too, is not all in the nature of absentee proprietorship, as shortly after the occupation a steady trickle of German civilians has been arriving in occupied France. Like the troops these people are extremely well behaved and keep themselves inconspicuous. They occupy houses that have been abandoned by their French owners prior to the invasion and who are now either out of the country or marooned in unoccupied territory. Many of these German civilians have been bombed out of their homes in the Rhineland. Apparently they have come too with the intention of staying.

Directed from Brussels H. Q.

In organizing industry in the occupied territory the Germans have set up a powerful and widely spread machine. Headquarters is at Brussels.

In each factory doing war or other essential work there is a military officer and staff of technicians. If possible he works with the former management as in the case of A's factory, but where none of the former management came back, he will operate the factory himself. Orders for the various supplies and equipment needed come from headquarters and to headquarters go requests for various kinds of parts and raw materials.

Apparently the Germans have conducted a wide survey of French industrial capacity and materials and know just where a certain machine can be made and where parts for that machine can be obtained. The system seems to work perfectly, the only serious flaw being the lack of adequate transportation. As a result production in the invaded territory is estimated to be only 25% of normal.

As a matter of fact Mr. A understands that the flow of war equipment from non-occupied France to Germany is relatively as important as that from the occupied area, bearing in mind that the latter is far more industrialized.

Take on Unemployed

While many factories in occupied territory have only been able to take back about 25% of their former employees, all of the other 75% are not idle. Within a very short period after entering the country, the German technicians who followed the army were offering these people employment, at higher than pre-invasion wages, on vital repair jobs. Though railroads and bridges had been spared as much as possible there was considerable damage during the fighting and the first task of the invaders was to get communications and transport conditions functioning again. Other large batches of Frenchmen were offered war work in Germany and go there regularly for three or four month periods.

The invaders, says Mr. A. go to great lengths to placate the French population and have been so successful that in some cases refugee victims of Nazi machine gunning were within a few weeks praising the prompt and efficient treatment they received from German hospitals and social workers.

Germans Raise Wages

The high wages, too, have proved a powerful factor in reconciliation. Of course all these wages and social services are paid for by the French themselves out of the occupation costs and while the French workers have more paper money to spend than before the invasion there is less and less to spend it on.

An attempt was made to control prices but nevertheless an illegal market flourished. A great many stores have closed up completely for lack of supplies and most of the others open only for a limited period and to a limited number of customers.

But the methodical Germans were not just content with the use of high wages, employment and social services to win over conquered France. Hardly a detail has been overlooked.

Try to Impress French

In the first place the Nazis seem determined to erase the French impression of the Germans from the last war. Mr. A, who witnessed the invasion at several points and lived in occupied territory for almost a year, stated that the German troops were under perfect discipline. There was no rowdyism whatever on or off duty. There was no open looting. Care was taken to give receipts for everything taken over or fair prices (in paper money) were paid for goods and services.

In all their dealings with the French both officers and soldiers of the Germany army were politeness itself, without of course being apologetic. They took pains to offer their seats to women in crowded street cars, for instance, although if the French but knew it this was not the general practice in Germany. When shopping or transacting any other business they never adopted the conquering army attitude or bullied in an obvious manner, though they could not supress entirely their feelings of superiority. The "Prussian" way in which they handled their own people, however, made the French gradually realize the purpose of the special treatment meted out to them.

However this German invasion propaganda, stated Mr. A, did actually bear some fruit.

Pre-war Beliefs Shattered

Pre-war Paris propaganda had led the average Frenchman to believe that,

(a) The Germans were half starved,

(b) They were clothed in some amazing substitute compounded from wood and glass,

(c) They had been reduced to beasts of burden working for the glorification of a handful of fanatics, etc.

What the French actually saw was an army not only to all appearances in the best of health but more sturdy looking than their own. The Nazi soldiers the French were permitted to see had quite obviously sufficient to eat, were bronzed with sport and carried themselves as if they really were full of vitality.

The French also observed with not a little chagrin that the German soldiers had uniforms of which they could be proud and nothing like the miserably shoddy and poor-fitting outfits with which the "poilus" had been provided. They naturally were not aware that good and serviceable cloth was a luxury for German citizens at home. Yet again it was evident to the French that raw materials were not so short in Germany as had generally been hoped and supposed.

Materials and Behavior

Another example of what looked like abundant supplies was noted in German army communications.

No sooner were the enemy forces installed in France than they began to replace the network of telephone wires which the British had hastily erected wherever they could, the French G.H.Q. being quite satisfied with things as they were and the wonderful Maginot line. The difference, however, was that the German cables were lavishly coated with synthetic rubber, which was admirable for the purpose, and fitted with heavy and elaborate aluminum connections which were most impressive.

Finally the French noted with surprise that relations between officers and men in the German army had greatly changed since the first Great War. All ranks on occasion and probably under direct orders from German propaganda headquarters, frequented the same cafes and restaurants and from time to time had their get-together evenings.

Coupled with the correct behavior of the invaders all of this, as intended, had a most demoralizing effect. The French, stated Mr. A, felt that they had been duped and began to be more bitter toward their own political setup than even toward the Germans.

In the early stages their feelings toward the British were mixed. They liked the sporting attitude, the humor even though it occasionally approached prankishness of the Tommy and his class-conscious superiors. But they had some doubts about the efficiency of the British Army. And deep down some of them just did not see any advantages in opposing the Germans. The last victorious war had been too ruinous to the French nation.

After the French surrender there were many who even hoped that Britain would collapse in a short time so that they could again get back to business, manufacturing textiles or tending cows.

This feeling of despair and defeatism apparently lasted until the end of September when the Swastika was scheduled to be hoisted on Buckingham Palace. Then the tide in public opinion slowly turned. Their admiration for the courageous R.A.F., their respect for the British as a whole began to reassert itself.

The change was well illustrated in the arrest last winter of a leading industrialist in occupied territory who had hitherto been quite passive. He was charged with showing disrespect to the German army. His crime had been to give the address of a London firm, when a high German officer asked where really first-class material could be obtained for civilian clothes.

Canadian troops in the last war found the "Mills Bomb" a useful weapon despite the fact that they came from a nation of baseballers and the rules said they had to throw them like a cricket ball. Such grenades are being made in Canada today. This photo shows an experienced veteran who has 40 years of work to his credit with the same company using his peacetime skill for war work, gauging grenades.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

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1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

International Coal & Coke

Would you be good enough to outline the recent progress of International Coal & Coke Co.? Is the current outlook favorable?

Last year increased cost of production because of heavier taxation and higher cost of mining supplies resulted in the net operating profit of International Coal and Coke Co. declining to $119,462 from $164,112 in 1939. Final net profit was reduced to 3.3 cents a share on the common, compared with 4.8 in the previous year, and the company again paid dividends of 3 cents, same rate as maintained for the past four years. For this year it is expected that there will be further advances in production costs due to war conditions, but there should also be a continuing strong demand for the company's coal.

Algoma Steel

Please give me any information available on the current position and earnings of Algoma Steel Corp. I am particularly interested in the bonds of the company.

Annual report of Algoma Steel Corp. for the year ended April 30, 1941, is expected in the near future and will probably reflect capacity operations which have prevailed over most of the period since the war started. This will undoubtedly be offset by heavier taxes to a great extent. Currently the company is working on a $4 millions new plant at Sault Ste. Marie, Ont. The outlook for continued high rate of operations for this company is excellent, at least for the duration of the war. It has considerably diversified its production through adding important products such as tinplate, additional structural steel shapes and other items. This makes for more stable operation.

The bonds of the company appear well secured and are being reduced at the rate of $200,000 annually up to 1944. Interest requirements have been covered by a good margin each year since the bonds were issued, and debts cannot be considered excessive in relation to the company's assets. The bonds are convertible into common stock at the rate of six shares for each $100 of bonds at present, a factor which might be of added attraction at some time, although current prices for the stock do not make conversion attractive at present.

Cockshutt Plow

Can you explain the low market price for Cockshutt Plow stock? It would appear that companies in this category should be active in wartime.

Probably the major factor contributing to the current low price of the shares of Cockshutt Plow Co. has been a weakness in the general stock market which has continued for some months past. It is probable that with any reawakening of activity and stronger prices, Cockshutt Plow Co. shares would participate. Another factor contributing to the low price of the stock is the statement by the president in February last that the directors deemed it unwise to take any action on dividends until the outlook is clearer. Earnings are sufficient to pay dividends but action is delayed due to the heavy bank debt and income taxes.

The company is participating in war activities, including the building of army truck bodies, fabrication of airplane parts and shell production. A greater volume of business is expected in 1941 than was experienced in 1940, which in turn showed a gain of 24% over 1939. Prospects for export business are not bright, it is said, although connections in England and South Africa are active. The company does the major share of its business in Canada and the sales of agricultural implements in this country will depend on both the size of the crop to be harvested this year and the prosperity of he farmers. Indications are that these will be little, if any, better than last year, taken as a whole.

Premier Trust

I would appreciate your comments on Premier Trust Co. I understand it has recently reduced its dividend payment.

Premier Trust Co. has reduced its dividend with the payment being made in July. In place of the former $2 a share semi-annual payment, the company is paying $1.50 a share, indicating a $3 annual rate for this year. The company's position is that while earnings are a little higher before taxes this year, taxes will be approximately double those of last year. There is also the fact that the company has more than doubled its holdings of Dominion of Canada bonds so far this year and by the end of the year expects to have tripled them. This means that its interest returns are lower, something which will become increasingly felt in later periods. The position of this company is not unlike that of other trust and loan concerns, more than one of which has reduced its dividend this year. Premier Trust expects to earn the $3 dividend without difficulty and to have a fair margin above it this year.

Massey-Harris

Are there any indications of price appreciation or dividend action on the common stock of Massey-Harris? I have held the stock for some time, bought at higher prices, and am considering switching to a dividend payer.

It is expected that a reorganization plan for Massey-Harris Co. will be announced before long and meetings of common and preferred shareholders called to vote on proposals. The company has heavy arrears of preferred dividends and, although it has had substantial earnings in the last few years, has not been able to pay anything on its preferred because of the heavy deficit shown on the balance sheet. It is to clear up such matters that the proposals will be directed.

Although no official details have yet been given as to what is expected to be proposed, it is thought that holders of common shares will be offered one new share for each two shares now held. There would appear to be little immediate prospect that dividends will be paid on the common stock, although the time when such may be done is undoubtedly brought closer if the company's balance sheet and preferred dividend position is improved.

At the moment, Massey-Harris Co. is engaged in some important war materials production, although how much this may contribute to earnings cannot be foretold. Demand for farm implements, the company's major business, is dependent on both the size of crop harvested in Canada, the United States, South America and Empire markets chiefly, and also upon the scale of returns obtained by farmers.

As for the outlook for better prices on the common stock, much will depend upon general stock market trends which for some months past now have not been very encouraging. Some added interest in the company is likely to develop when the reorganization plan is announced.

HERBERT TAREYTON SMOKING MIXTURE

THERE'S SOMETHING ABOUT IT YOU'LL LIKE

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
W. F. HOUSTON, A.C.A.
CHARTERED ACCOUNTANTS
TORONTO KIRKLAND LAKE

PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $67,000,000.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED
5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
Capital (Fully Paid), $2,000,000
Reserve Fund, $2,400,000

Your Country needs your savings!
Your family needs protection!

THIS NEW

"VICTORY POLICY"

GIVES THE ANSWER!

Whatever your job, whatever your income, you should be investing regularly in War Savings Certificates and other war loans. This is essential. Yet your family needs adequate protection, too!

Since most people have only a limited amount of money for investment, how can these two essential needs be met from *your* war-time budget? A new "VICTORY POLICY" has been specially designed by The Mutual Life of Canada to meet this problem. This policy is another example of The Mutual Life's initiative in developing a special service to meet the needs of Canadian families.

Answering your questions about the "VICTORY POLICY"

1. Q. *How does this policy help me fit adequate insurance protection into my present war savings plan?*
A. Exceedingly low premiums for a fixed period of years while you are investing in War Savings Certificates. This will allow you to aid your country and at the same time give your family the financial protection they need.

2. Q. *Is there an increase in the premiums at the end of the fixed period of years?*
A. Yes. But even this premium is lower than the normal rate. And the policy is so arranged that as your War Savings Certificates mature you can use them to pay your insurance premium.

3. Q. *Is this a term policy or a permanent plan of insurance?*
A. This is a permanent plan. It has been specially prepared to meet existing needs but is also designed for future protection.

4. Q. *Has the policy any other special features?*
A. Yes. The policy has a number of attractive features which will be explained by the company's representatives.

5. Q. *Who can obtain this new policy?*
A. The new "Victory Policy" is available to every adult who is insurable . . . and is especially attractive to men and women with modest incomes.

WRITE NOW FOR DETAILS!

For full information as to how the "Victory Policy" can be adapted to meet *your* needs, get in touch with the nearest Mutual Life representative. Or write direct to The Mutual Life of Canada, Waterloo, Ont. Don't delay! Act now!

THE MUTUAL LIFE OF CANADA
Established 1869
HEAD OFFICE WATERLOO, ONT.
"Owned by the Policyholders"

I. P. & P. Profit Higher I. P. Absorbs South. Kraft

Merger Marks Simplification of Corporate Structure — President Cullen Reports Second Quarter Earnings Up

From Our Own Correspondent

MONTREAL.—Earnings of International Paper and Power Co. for the second quarter of 1941 should be greater than $3,546,822, or $1.31 a common share, earned in the first quarter, according to R. J. Cullen, president, at the annual meeting.

"While we do not have final figures for the second quarter of 1941, and the new tax bill has not yet been passed, indications are that the net profits for the quarter will be in excess of those for the first quarter this year," Mr. Cullen said.

Export Business Off

"While our export business increased slightly in 1940, it is now below prewar levels, and domestic demand has increased so that all of our mills are running at full capacity."

Present indications are company business should continue during the balance of this year at least at the same rate as for the first six months, Mr. Cullen said, although he warned cost of materials will increase and some will become increasingly difficult to obtain.

As regards prospects of a dividend on the common stock, he said, "I have every reason to believe that the patience of the common stockholders will be rewarded."

It is announced Southern Kraft Corp., formerly a wholly owned subsidiary, has been merged into International Paper Co. as a sequel of the recent bond financing.

This merger marks another step in simplification of the company's corporate structure. International now owns directly all of the major operating properties controlled by it in the United States.

Southern Kraft was organized in the early part of 1930 to acquire and operate International's kraft board and paper mills in the southern states.

These mills now have an annual capacity of about 1.2 million tons and are located at Springhill, La.; Georgetown, S.C.; Panama City, Fla.; Mobile, Ala.; Camden, Ark.; Moss Point, Miss., and two at Bastrop, La.

This merger does not involve any securities outstanding in the hands of the public.

All the stock of Southern Kraft was owned by International Paper Co.

All of Southern Kraft's first leasehold and general mortgage bonds have been called for redemption on July 12 in connection with the recent sale of International Paper's $26.5 millions of bonds.

The relatively small amounts of outstanding purchase money obligations of Southern Kraft Corp. will continue as obligations of International Paper.

American Pulp Mills Hold Operations Near Capacity

From Our Own Correspondent

MONTREAL.—With 87% of industry capacity reporting, United States pulp mills produced 695,522 tons during April, according to a report released by the United States Pulp Producers Association. This contrasts with 692,874 tons in the previous month. Improvement was greater than indicated by tonnage, as there were fewer working days in April.

Sulphite production advanced from 226,090 tons in March to 230,362 tons in April. Sulphate pulp output, on the other hand, remained about the same. Groundwood production increased from 106,334 tons to 113,418 tons.

The pulp situation during April showed practically no change from that reported in the previous month. The amount of pulp used by producing mills in April was 549,184 tons, or 34 tons more than in March. Sales of pulp were almost identical for the two months. Imports into the U. S. registered a small increase.

Stocks of pulp on hand at the end of April 1941 totalled 155,750 tons. This compares with 164,643 tons at the close of the preceding month.

Breakdown of Returns

Details of figures on production during April as reported to the Association follow:

U. S. WOOD PULP STATISTICAL REVIEW—APRIL, 1941
(In tons of 2,000 pounds, air dry weight)

Grades:	% of Ind'y capacity reporting	Production during April	Used by producing mills	Sales foreign & domestic	Stocks* on hand end of April	Imports during April
Total, All Grades except Soda ...	87%	695,522	549,184	155,610	155,750	84,009
Total Sulphite	98%	230,362	123,247	110,585	59,222	52,553
Bleached	100%	139,584	72,320	70,635	34,846	30,575
Unbleached	95%	90,778	50,927	39,950	24,376	21,978
Total Sulphate ...	96%	336,515	310,722	36,338	36,097	14,431
Bleached	100%	57,173	49,451	7,124	5,543	4,586
Unbleached	95%	279,342	261,271	29,214	30,554	9,845
Groundwood ...	59%	113,418	103,806	4,192	51,482	15,855
Damaged, off-quality & miscellaneous	75%	15,227	11,409	4,495	8,949	[illegible]

*Total, for own use and sale, of pulp of own manufacture (does not include stocks of purchased pulp).

Newsprint Exports To S. Africa Rise

Canada and Newfoundland Dominate Market in 1940

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills increased exports to the Union of South Africa to 599,240 cwt. in 1940 from 533,537 cwt. in the previous year.

Value of shipments rose from £267,905 to £355,858. In 1938 South Africa took 413,618 cwt. of Canadian newsprint, valued at £206,768.

Canadian exports have risen because of the virtual elimination of the U. K., Sweden and Finland as competitors in this market.

Newfoundland a Competitor

Newfoundland has become a competitor for the South African trade. In 1938 the Island's mills made no shipments to South Africa. In 1939 there was 20,503 cwt. of newsprint exported from Newfoundland and in 1940 shipments totalled 185,298 cwt.

Imports from Great Britain fell to 7,493 cwt. in 1940 from 127,735 cwt. in 1939 and 308,684 cwt. in 1938.

Canada and Newfoundland dominated the South African market in 1940, with Newfoundland supplying 22% of imports and Canada 72%.

Newsprint Use Up 3.1% in U. S.

From Our Own Correspondent

MONTREAL. — Apparent consumption of newsprint paper in the United States for the current year to the end of May was 1,590,827 tons, according to the American Newspaper Publishers Association. This represents an increase of 3.1% over the like period of 1940 and 10.4% ahead of the corresponding figure for 1939.

The gain in consumption during May was somewhat below the current year average, amounting to only 1.3% over the May, 1940 returns.

JAMES W. SEWALL
Ruttan Block, Port Arthur, Ont.
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Qué. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Have your STATIONERY *and* PRINTED FORMS *printed on*
CHENEAUX BOND
AN EDDY PRODUCT

Expect Abitibi Payment Ready Within Month

Symington Committee Likely to Proceed With Sale in Fall — Would Amend Plan

It is expected that the payment of $13 per $100 in principal of bonds of the Abitibi Power & Paper Company will be made within the month.

All that remains is clearing of certain details which work is in the hands of the Montreal Trust Co. as trustee for bondholders.

A ruling has yet to be received from the income tax department as to how it is going to treat this payment, whether as a return of principal or as taxable income. If the former is the case, then it will be free from income tax. But if the latter is the ruling, then it is likely that the Montreal Trust, in making the payments, will have to deduct from each cheque the correct amount for tax.

Then there is the question of the Foreign Exchange Control Board as a large proportion of payments would go to investors in the United States. Payment will be made in Canadian funds but cheques going to American investors will be identified so that on presentation at banks, they will be converted into U. S. dollars at the prevailing official rate. No particular difficulty is anticipated in this regard.

Position Holds

The Symington Bondholders Committee for Abitibi has just written to holders of bonds and certificates of deposit. In this letter it outlines its position, which can be summarized somewhat as follows:

1. The committee believes that there is no equity available for shareholders if bondholders' claims are to be satisfied.

2. In these circumstances the Abitibi property belongs to its bondholders and the bondholders have full right to require a sale of the property.

3. The final effect of such a move would be to give assenting bondholders all the securities of a new company whether they be bonds or stock, while non-assenting bondholders would be entitled to receive their share of the purchase price.

4. In the opinion of counsel to the committee, the Abitibi Power & Paper Company Limited Moratorium Act, 1941, recently passed by the Ontario Legislature, "is invalid since it infringes on the jurisdiction of the Dominion Government over insolvent companies."

The committee concludes, therefore, that its present intention is to continue to defend the rights of the bondholders.

Court Recess

This is interpreted to mean that it intends to proceed with its attempts to bring about a sale of Abitibi assets as it has already announced. No further action, however, could be taken until September at the earliest as the courts are now closed for the summer recess.

The letter to bondholders signed by H. J. Symington, K.C., chairman of the Bondholders' Committee, points out that up to the date of the letter, June 24, 1941, the Abitibi Moratorium Act had not yet been proclaimed by the Lieutenant Governor and thus was not yet in force.

Disagrees with Report

The committee feels that the reorganization plan included in the report of McTague Royal Commission "does not reasonably recognize or provide for the interests of the bondholders and that the committee cannot recommend it to the bondholders for their approval."

It suggests that the Commission's report did not actually find that there was any value in the property in excess of the bond debts, but merely a hope that some such potential value might ultimately be found. The plan as suggested in the opinion of the Symington Committee is far from preserving bondholders' right to their prior claims as the Commission's report suggests should be done.

To Amend Plan

The original plan of the bondholders' committee included in its "Plan of Procedure" under which the sale application was made provided for an all-stock capitalization of Abitibi. Now the committee recognizes that changes in the tax structure in this country since the plan of procedure was formulated may make an all stock capitalization inadvisable. The committee is therefore considering an amendment to its plan to provide for the new company to be capitalized partly in bonds with bonds and shares to be distributed pro rata among assenting bondholders.

A hint of this change was given by Mr. Symington in his evidence before the McTague Royal Commission last spring but this is the first official intimation that such an action was planned.

Australia Now Uses Own Paper

Metropolitan Dailies Start Using Tasmanian Newsprint

From Our Own Correspondent

MONTREAL. — Australia is now using newsprint of her own manufacture. On May 12 last 10 metropolitan dailies in six states of the Commonwealth printed their complete paper on domestic newsprint. Their daily editions total 1,320,000 copies.

The newsprint plant, located at Boyer, has a present capital investment of £1.6 millions, which was subscribed by the 10 dailies. Ultimate development calls for an outlay of £4 millions to provide 108,000 tons of paper annually. The latter is equivalent to Australia's wartime requirements. Present capacity of the plant is around 27,000 tons, the balance of requirements being imported from Canada.

The new Australian newsprint has a slight brownish tinge, but provides a good printing surface.

M. & O. Paper Sells Finnish Mill

Insulite Property in Finland Sold With Payment in U. S. Dollars and Finmarks

Minnesota & Ontario Paper Co. and its subsidiary, the Insulite Co., have completed negotiations for the sale of Finnish interests of the company, according to R. H. M. Robinson, president. The negotiations have been continuing for some weeks and the transaction has now been closed with sale to a Finnish corporation.

Terms of the sale are not disclosed except that a substantial part of the price has been received in U. S. dollars and the balance in Finmarks. The latter are blocked for the duration of the war.

This sale will have no effect on the business of the Insulite Co. in Canada, the United States or its possessions, it is stated. The Finnish mill was erected in 1930 at Kymi, six miles inland from Kotka, on the Gulf of Finland. At one time shipments left this port for some 90 markets in Asia, Australia, Africa, Europe, Central and South America.

Canadian Publishers Use More Newsprint

From Our Own Correspondent

MONTREAL.—Canadian publishers used more newsprint paper in the first five months of 1941 than for any like period since 1937.

To the end of May, according to the Newsprint Association of Canada, 78,891 tons of paper were delivered to publishers in this country. This contrasts with 72,358 tons in the like period of 1940; 76,224 tons in 1939; 75,142 tons in 1938 and with the record of 85,859 tons in 1937.

Company Reports

Union Steamship

Union Steamships, Ltd., operating 19 vessels in the British Columbia coastwise passenger and freight trade, had a greatly improved year in volume of business done, but higher taxation and costs of operation reduced the net profit, according to the statement at the annual meeting of shareholders here.

Net profit before depreciation, interest and income and excess taxes was $332,245, compared with $253,067 in the previous year. After provision for interest, net profit carried to surplus account to $86,680 compared with $128,996 a year ago. Operating surplus is $264,705.

Fixed assets stand at $6,231,345, against which $2,031,310 has been written off for depreciation.

Union Steamship Co. was established originally as a British Columbia enterprise, but a major interest was purchased in 1911 by J. H. Welsford & Co. of Liverpool. Four years ago the Welsford estate disposed of the company to a group of Vancouver businessmen and the company is now owned entirely in Canada.

Harold Brown is president with Carl Haltefman general manager.

Directors are: E. E. Buckerfield, F. H. Clendenning, J. S. Eckman, Gordon Farrell, W. B. Farris, A. L. Johansson, J. R. Murray, W. G. Murrin. J. Crookall is secretary.

Profit and Loss Account

	1941 $	1940 $
Net oper. profit	332,245	253,067
Less: Interest	3,964	3,412
Income & E. P. tax .	86,600	43,459
Depreciation	155,000	77,200
Net profit	86,680	128,996

Alexander Bldg.

Alexander Building Corp., Montreal, reports gross operating revenue for the year ended April 30 of $186,204, compared with $184,512 in the preceding year.

Operating costs rose from $107,968 to $135,983 because of extensive renovations undertaken during the year. Net deficit for 1941, after providing interest on bonds at the full rate of 6%, amounted to $83,063 against $58,836 in the 1940 fiscal year.

Althought interest was charged in the income account at the full rate only 3% was paid on the 6% first mortgage income bonds.

J. S. Aird, president, states in the annual report the building is entirely rented at rates slightly better than in the past fiscal year. Apart from unpaid accrued bond interest current position of the company is excellent, he declares.

The auditor's footnote states:

"The interest in respect of the first mortgage 6% cumulative income bonds is in arrears beyond the limit stipulated by the terms of the supplemental trust deed and consequently a default has been created which automatically renders the security enforceable. As at April 30, 1941, the Montreal Trust Co. held, as trustee, $1,530 representing interest on bonds not yet exchanged."

Income and Deficit Account
Years Ended April 30

	1941 $	1940 $
Rental revenue	178,076	176,095
Sundry revenue	8,128	8,417
Oper. revenue	186,204	184,512
Less: Oper. & adm. exp.	135,983	107,968
Depreciation	27,480	27,512
Bond interest*	106,638	108,955
Add: Int. earned	834	1,087
Net loss	83,063	58,836
Add: Prev. deficit	460,762	535,058
Secs. sale loss	13	......
Less: Bond int. cancel.	6,708	35,052
Bond purch. disct. ..	16,718	98,080
Deficit forward	520,412	460,762
*Amount paid	53,319	54,862

Mersey Paper

Mersey Paper Co. and subsidiaries report gross profits of $1,442,412 in 1940, against $1,543,953 in the previous year. Net profit amounted to $332,965, compared with $437,781. This was equal to 39 cents and $1.09, respectively, a share on the common stock.

Working capital dropped $457,077 during the year to $1.4 millions. This resulted from a $457,057 issue of notes receivable taken from current assets but shown as non-current, and a $338,733 advance to a non-Canadian subsidiary. Bank loan was reduced to $333,000 from $428,000, while accounts and notes receivable, less reserve, decreased to $896,283 from $1.3 million. Funded debt was reduced by $713,000. Outstanding 5% first mortgage bonds were reduced by $482,500 to $3.5 millions, and general mortgage issue was reduced by $230,500 to $1.8 million.

A dividend payment of 3% on arrears of the 5½% preferred stock was paid in January. Arrears at July 1 amounted to 13½%.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross profits	1,442,412	1,543,953
Less: Depreciation ...	642,811	628,763
Interest	298,984	361,748
Bond disct., etc.	10,605	27,990
Income tax	157,047	87,671
Net profit & surp. for year	332,965	437,781
Add: Prev. surplus ..	437,781	......
Surplus forward	770,746	437,781
Earnings per Share:		
5½% preferred	$6.66	$8.76
Common, n.p.v.	0.39	1.09

Working Capital

	$	$
Current assets	2,490,003	2,847,352
Current liabilities	1,094,457	994,729
Working capital	1,395,546	1,852,623

Power Corp. Group Reports Higher Output

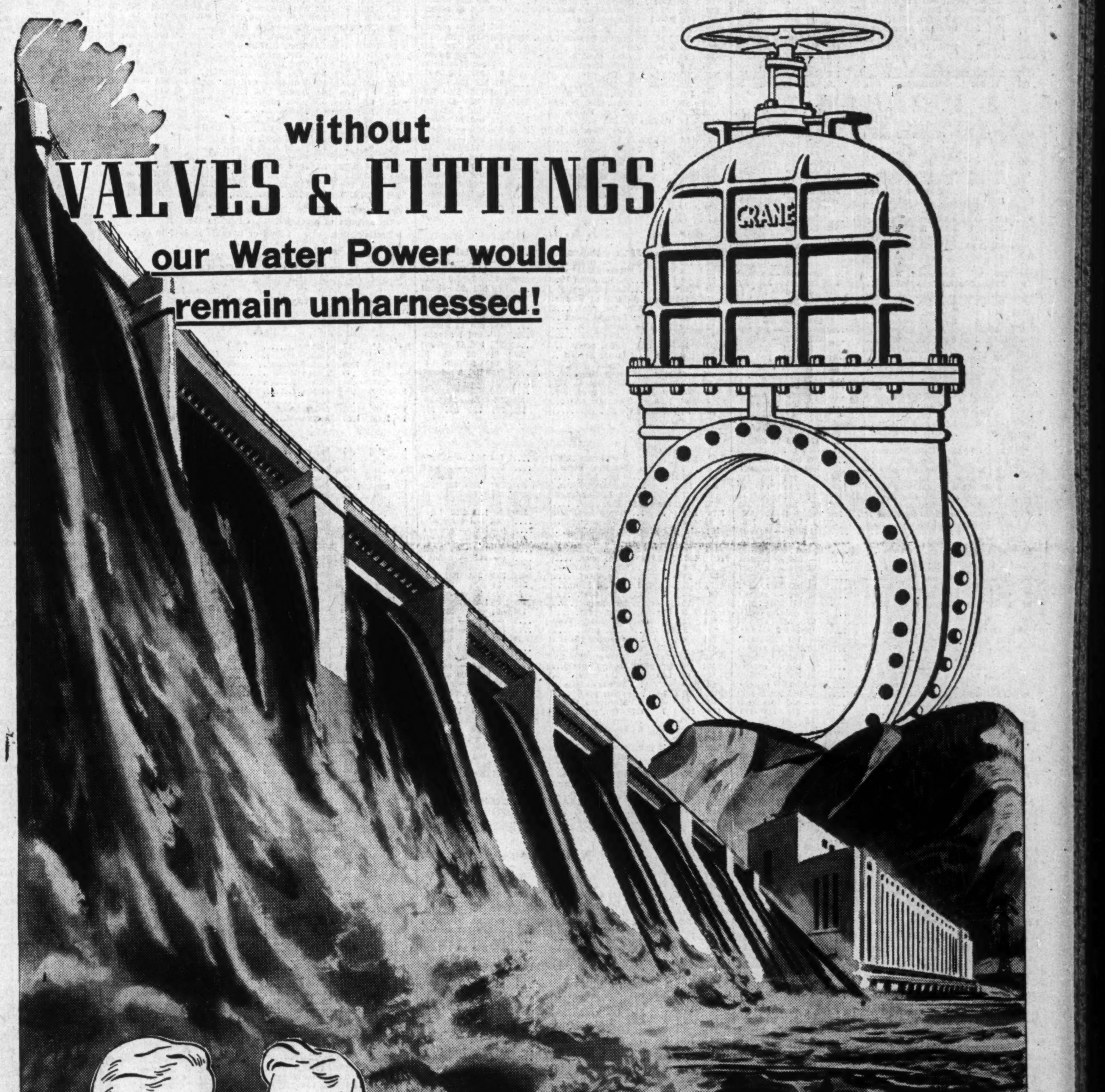
From Our Own Correspondent

MONTREAL. — Power Corp of Canada's subsidiary and affiliated companies report power output in May of 226.6 million kw.h. This compares with 219.1 million kw.h. for May, 1940, an increase of 3.39%.

Cumulative aggregate output for 11 months ended May 31, 1941, amounted to 2,315.5 million kw.h., compared with 2,359.2 million kw.h. for the like period a year ago, a decline of 1.85%.

May output by individual companies compares in kw.h. as follows:

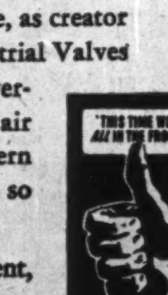
	1941	1940
Sou. Can. Power ..	19,857,168	27,322,220
Can. Northern	63,306,932	61,040,897
East Kootenay	9,001,040	9,671,276
B. C. Power	51,203,416	47,494,725
Northern B. C.	1,219,168	1,099,468
Winnipeg Electric .	81,995,100	72,515,400



"This is a new side of Crane to me!"

To most people, Crane means smart bathrooms, gleaming kitchens and efficient home heating systems. But Crane, as creator of 30,000 or more types of industrial Valves and Fittings, those unsung governors of flow—gas, oil, water, air and steam—without which modern industry couldn't exist, is not so widely known.

To water power development, from the erection of the cofferdam to the flow of water through giant turbines, Crane valves, fittings and fabricated pipe are indispensable. No water could be harnessed; no power plant could operate, without them.



Providing hydro-electric plants and central stations with valves and fittings is more vital than ever in wartime. On it hinges the gearing of all industry to full war capacity. Our navy, railways, steamships, oil refineries and factories, too, must have valves and fittings for their own specific needs. Providing them is part of Crane's national* job.

*CRANE 4-POINT WAR PROGRAMME

First, to supply all Canadian industry with the valves, fittings and fabricated piping vital to its operation.

Second, to utilize our plant capacity to the utmost in filling the Government's munitions requirements.

Third, to furnish plumbing and heating materials for army camps and workers housing.

These three must take precedence

* * *

Fourth, as in peacetime, to guard the nation's health with adequate plumbing and heating equipment for home and institutional use.

Crane's four plants and Crane's workers are putting everything into this four-fold task. It is their contribution to Canada's all-out war effort.

CRANE
CRANE LIMITED; HEAD OFFICE: 1170 BEAVER HALL SQUARE, MONTREAL
Branches and Warehouses in 18 cities in Canada and Newfoundland

Crane Limited, Montreal, Que. • Port Hope Sanitary Mfg. Co. Ltd., Port Hope, Ont. • Canadian Potteries Limited, St. Johns, Que. • Warden King Limited, Montreal, Que.

Toronto and Montreal Exchanges

THE WEEK'S QUOTATIONS

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JUNE 28

Range 1941 High	Low	Div R'te $	Jne28 Y'ld %		Sales	Last June 23	Week end. June 28 H	L	Cl'se
				A					
.90	.50	.	...	Abitibi	1165	.80	.80	.80	.80
8	4	.	...	Do. pref. 6%	355	6½	6	5	5½
12¾	8	.	...	Do. pref. 7%	....	(8½ bid — asked)			
3	1	.	...	Acme Glove	....	(1½ bid — asked)			
60	50	6.50	13	Do. pref.	....	(— bid 60 asked)			

Range 1941 High	Low	Div R'te $	Jne28 Y'ld %		Sales	Last June 23	Week end. June 28 H	L	Cl'se
12½	10¾	1	9.1	Foundation Co.	125	11	12	11¾	11
9	4½	.	...	Fraser Cos.	....	(6 bid 7 asked)			
10½	5½	.	...	Do. Vot. Tr.	160	7½	7	7	7
$1.50	.50	.	...	Freiman	....	(— bid — asked)			
47	41	.	...	Do. pref.	....	(45 bid — asked)			
9¾	6	80c	10.3	Gatineau Pwr.	99	7¾	7¾	6	7½
90	73	5	6.7	Do. pref.	3	73	75	75	75
95½	75	5.50	6.9	Do. 5½% pref.	....	(— bid 86 asked)			
1.25	.25	.	...	Do. Rights	40	.25	.30	.30	.30

Quotations: § 1940. * 1939. ° 1938.
▲ On account of arrears. ‡ Paid in 1940.
• Participating. ‡ Paid or payable in 1941 to date.

Mining Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close June 23 (or last)	High for week	Low for week	Close June 28
1	.14	.08	Towagmac	500	.10½	.12½	.12½	.12½
No	.50	.20	Trans. Resources	7,500	.20	.26	.23	.23
1	.39	.06	Uchi Gold	5,300	.08½	.09	.08	.09
.	84.00	40.00	Do., Bonds	$200	42.00	40.00	40.00	40.00
1	2.28	1.27	Upper Canada	27,175	2.05	2.05	1.87	1.91
No	4.25	2.75	Ventures	410	3.25	3.50	3.40	3.50
No	4.20	3.00	Waite Amulet	2,365	3.20	3.40	3.10	3.40
1	.26	.15	Wendigo	1,000	.17½	.17½	.17½	.17½
1	.01½	.01	Wiltsey Coughlan	1,500	.01½	.01½	.01½	.01½
1	.10	.05	Wood Cadillac	1,300	.05½	.06	.05½	.06
No	7.05	3.85	Wright-Hargreaves	36,128	4.55	4.60	3.85	4.05
No	.08	.04	Ymir Girl	......	(.05 bid .07 asked)			

Oil Stocks

Par Val.	High	Low	Company	Sales	Close June 23	High	Low	Close June 28
No	.11½	.05½	Acme Gas & Oil	500	.05½	.06	.06	.06
1	.09	.06	Alta. Pac. Cons.	......	(.06 bid .... asked)			
1	.18	.10	Ajax	......	(.10½ bid .... asked)			
No	.81	.46	Anglo Canadian	300	.53	.52	.50	.50
No	.12	.06	Br. Dominion	1,500	.07	.06½	.06	.06
No	.12	.06½	Brown Oil	......	(.06½ bid .... asked)			
No	1.49	1.05	Calgary & Ed.	1,850	1.11	1.15	1.07	1.10
1	.26	.14	Calmont	1,700	.16	.16	.16	.16
No	.26	.20	Commoil	......	(.19 bid .22 asked)			
No	.22	.19	Common Pete	300	.20	.20	.19	.20
No	.32	.20	Dalhousie	100	.21	.20	.20	.20
No	.16½	.11½	Davies Pete	1,800	.13	.13	.12½	.12½
No	.05	.02½	East Crest	......	(.02½ bid .03½ asked)			
No	.16½	.11½	Extension Oil	......	(.13½ bid .... asked)			
No	.30	.23	Federated Pete	......	(.20 bid .25 asked)			
No	.80	.40	Foothills	......	(.41 bid .... asked)			
No	*.08	.05	Hargal	......	(.... bid .19 asked)			
No	.15	.06	High Sarcee	2,200	.08	.08	.08	.08
No	2.55	1.50	Home	2,840	1.90	1.90	1.85	1.90
1	.02	.01½	Homestead O. & G.	2,000	.02	.02	.02	.02
No	.08	.04	McD. Segur	500	.04½	.04½	.04½	.04½
1	.15	.15	Model	500	.....	.15	.15	.15
25c.	.05	.05	National Petroleum	......	(.... bid .05 asked)			
1	.06	.03	Nordon	......	(.03 bid .04 asked)			
No	.02½	.01½	Oil Selections	......	(.01½ bid .02½ asked)			
No	.78	.35	Okalta	1,100	.40	.42	.40	.40
No	.04½	.02½	Pacalta	1,000	.03	.02½	.02½	.02½
1	.27	.15	Pacific Petroleum	......	(.... bid .20 asked)			
No	.30	.25	Petrol Oil & Gas	......	(.25 bid .50 asked)			
No	22.00	16.50	Royalite	......	(19.00 bid .... asked)			
No	.30	.23	South West Pete.	......	(.11 bid .25 asked)			
No	.04	.01½	South End	1,000	.01½	.01½	.01½	.01½
5	1.25	.90	Texas Can.	200	1.15	1.00	1.00	1.00
No	.04½	.03	United Oils	1,000	.03½	.03	.03	.03
1	.02½	.01½	Vermilata	......	(.01 bid .02 asked)			
1	.34	.25	Vulcan	......	(.15 bid .30 asked)			

Vancouver Stocks

Par Val.	High	Low	Company	Sales	Close June 23	High	Low	Close June 28
No	....	....	Bayonne	......	(.... bid .05 asked)			
No	10.40	9.50	Bralorne	260	10.00	10.25	9.85	10.00
1	.00½	.00½	Bridge River Cons.	......	(.... bid .01 asked)			
1	2.91	2.05	Cariboo Gold	100	2.08	2.10	2.10	2.10
No	.01½	.00½	Dentonia	......	(.01½ bid .01½ asked)			
No	.00½	.00½	Fairview Amal.	......	(.... bid .01 asked)			
1	.15	.13	George Copper	......	(.14 bid .... asked)			
1	.08½	.03½	Golconda	......	(.04 bid .06½ asked)			
50c.	.32	.20	Gold Belt	600	.20	.23	.21	.23
50c.	.15½	.10	Grandview	950	.13	.12½	.12	.12½
1	.02½	.01	Grull Wihksne	......	(.01½ bid .01½ asked)			
1	.60	.45	Hedley Mascot	200	.50	.50	.50	.50
No	.00½	.00½	Home Gold	......	(.00½ bid .00½ asked)			
1	.01	.00½	Indian Mines	......	(.00½ bid .01 asked)			
50c.	.95	.75	Island Mountain	1,200	.90	.90	.85	.85
1	.33	.27	Inter'tl Coal	......	(.33 Apr. 29)			
50c.	.28	.20	Kootenay Belle	600	.22	.22	.22	.22
1	.25	.20	McGillivray Creek	......	(.20 bid .... asked)			
No	.02½	.00½	Minto Mines	......	(.01½ bid .... asked)			
50c.	.00½	.00½	Nicola	......	(.00½ bid .... asked)			
1	.05	.03½	Pacific Nickel	......	(.04 bid .... asked)			
1	2.00	1.26	Pend Oreille	100	1.40	1.45	1.45	1.45
1	2.25	1.95	Pioneer Gold	200	2.05	2.15	2.15	2.15
No	.03½	.01½	Premier Border	2,000	.01½	.02	.01½	.02
1	.95	.85	Premier Gold	200	.88	.90	.88	.90
No	.63	.44	Privateer Mines	5,000	.51	.50½	.49	.50
1	.02½	.01½	Quatsino Copper	4,000	.01½	.01½	.01½	.01½
1	.20	.10	Reeves McDonald	......	(.18 bid .... asked)			
1	.03	.01½	Relief Arlington	......	(.01½ bid .02 asked)			
1	.13	.10	Reno Gold	500	.11	.11	.11	.11
1	*.06½	.04	Sally Mines	......	(.... bid .... asked)			
50c.	.02½	.01	Salmon Gold	......	(.00½ bid .02 asked)			
50c.	.88	.72	Sheep Creek	2,900	.84	.85	.80	.85
1	.80	.65	Silbak Premier	200	.80	.76	.76	.76
No	.00½	.00½	Silvercrest	......	(.... bid .... asked)			
1	*.05	.05	Sunloch	......	(.... bid .... asked)			
50c.	.15	.10½	Surf Inlet	1,000	.10½	.10½	.10½	.10½
No	.02	.02	Taylor Bridge	1,000	.02	.02	.02	.02
20c.	.00½	.00½	Wellington	......	(.... bid .... asked)			
50c.	*.00½	.00½	Wesko	......	(.... bid .00½ asked)			
1	.02	.00½	Whitewater	1,000	.00½	.00½	.00½	.00½
No	.08	.04½	Ymir Yankee Girl	......	(.06 bid .... asked)			

Oil Quotations

Par Val.	High	Low	Company	Sales	Close June 23	High	Low	Close June 28
1	.09½	.05	Alta. Pac. Cons.	200	.05	.06½	.06½	.06½
1	.00½	.00½	Amalgamated	5,000	.00½	.00½	.00½	.00½
No	.83	.46	Anglo Canadian	500	.51	.51	.51	.51
No	.08½	.04	Anaconda	1,000	.04	.04½	.04	.04½
No	.07	.04	Brit. Dominion	......	(.06 bid .... asked)			
No	.07½	.05½	Brown Oil	......	(.07 bid .... asked)			
No	1.50	1.01	Calgary & Ed.	1,000	1.15	1.15	1.10	1.10
1	.26	.12	Calmont	2,500	.15	.16	.15	.15
No	.28	.18	Commoil	1,000	.18	.20	.20	.20
No	.21	.19	Commonwealth	......	(.20 bid .... asked)			
No	.30	.20	Dalhousie	100	.20	.22	.22	.22
No	.15½	.13½	Davies Pete	......	(.12 bid .... asked)			
No	.04	.02	East Crest	......	(.03 bid .... asked)			
No	.17	.11	Extension	......	(.14½ bid .... asked)			
No	.36½	.23	Federated Petroleum	......	(.20 bid .25 asked)			
No	.60	.41	Foothills	100	.41	.41	.41	.41
No	.15	.07	High Sarcee	500	.07	.09	.09	.09
No	2.52	1.50	Home Oil	900	1.75	1.95	1.88	1.90
No	.01½	.01	Madison	......	(.... bid .01½ asked)			
No	.01½	.01	Marjon Oil	......	(.01½ bid .01½ asked)			
No	.07	.04	McD. Segur Ex.	600	.04	.05	.05	.05
No	.05	.02	Mercury	......	(.03½ bid .... asked)			
No	.05	.04	Mill City Pete	......	(.04½ bid .... asked)			
1	.19	.12	Model	......	(.13 bid .16 asked)			
25c.	.05½	.04½	National Pete	......	(.... bid .... asked)			
1	*.05	.04	Nordon	......	(.... bid .... asked)			
No	.75	.50	Okalta	......	(.35 bid .40 asked)			
No	.04	.02	Pacalta Oil	......	(.02 May 30)			
1	.26	.19	Pacific Petroleums	......	(.15 bid .20 asked)			
No	.15	.06½	Royal Canadian	1,000	.06½	.06½	.06½	.06½
No	*.10½	.06	Royal Crest	......	(.... bid .06 asked)			
No	22.00	17.12	Royalite	......	(19.00 bid 21.00 asked)			
No	.01½	.01½	South End	......	(.... bid .... asked)			
No	.25	.10	Southwest Pete	......	(.10 bid .... asked)			
1	.05½	.02½	Spooner	......	(.03½ bid .... asked)			
25c.	.14	.10	Sunset Oil	......	(.09½ bid .... asked)			
No	.04½	.03	United	......	(.08 bid .... asked)			
No	.04½	.03	Vanalta	......	(.03 bid .... asked)			
1	.38½	.20	Vulcan	......	(.... bid .35 asked)			

*Quotations for 1940.

Winnipeg Stocks

(Transactions from June 23 to June 27)

	Sales	High for period	Low for period	Close June 27
Beaver Lumber, pf.	10	102.50	102.50	102.50
Dominion Envelope, pfd.	5	96.00	96.00	96.00
Federal Grain, c.	240	.40	.40	.40
Great Falls M. & S.	1,000	.05	.05	.05
United Grain Growers	5	9.50	9.50	9.50
Wingold	4,300	.08¾	.08½	.08¾

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Home Invest.	15	16
Beav. Lumber, c	3	5	Nor. Can. Mtg. p.	5	..
Can. Airways	1	..	Nor. Trusts	7	..
Can. Indemnity	150	..	Traders Bldg.	43	..
Corr. P. Box, c.	.60	.80	West. Brew.	1⅝	2
Cres. Cream., pf.	11	15	West. Grain, p.	..	9
Dom. Envelope, c	..	7½	West. Steel	6½	7
Fed. Grain, pf.	27	30	Wings	.35	.75

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
July 1	Holiday			
June 30	2,800	4,700	106,000	6,950
June 28	3,500	4,700	99,000	1,750
June 27	3,600	4,200	144,000	6,200
June 26	4,900	2,900	132,000	8,110
June 25	3,700	2,300	142,000	4,000

Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

July 2, 1941

%	Due	Bid	Ask	Approx. Yld.
5	Nov. '41	101½	102	.20
1½	May '42	100½	100¾	.73
2	June '42	100½	101¼	.52
3	Oct. '42	102	102¾	.92
2½	June '43	101¾	102¾	1.13
5	Oct. '43	107½	108	1.50
2	June '44	100¾	101¾	1.44
a2½	Jan. '44	96½	97½‡	3.43
4½	Oct. '44	107¾	108¾	1.78
2½	Nov. '44	102	103	1.60
a2½	Aug. '45	94¾	95½‡	3.62
4	Oct. '45	104½	105½	b1.59
4½	Feb. '46	109½	110½	2.16
3½	June '49	102½	103½	b2.50
3½	Oct. '49	102½	103½	b2.48
3½	Nov. '51	100¾	101¾	b2.96
3½	Feb. '52	101	102	b2.92
a5	May '52	101½	‡102½	b1.96
4	Oct. '52	105	106	b2.95
3	Oct. '52	98	99	3.10
3	June '55	98	99	3.09
4½	Nov. '56	107	108	b2.87
4½	Nov. '57	107½	108½	b3.01
3	June '58	97¾	98¾	3.10
4½	Nov. '58	108	109	b3.13
4½	Nov. '59	108¾	109¾	b3.17
a4	Oct. '60	98½	99½‡	4.06
a3½	Jan. '61	89½	90½‡	3.97
3½	June '66	99¾	100¾	b3.18
a3e	Jan. '67	86½	87½‡	3.75
a3e	Nov. '68	86½	87½‡	3.72
†3	Perpet'l.	90½	91½	3.29
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100¾	101½	1.08
2½	Jan. '46	100½	101½	1.91
3	May '44	103	104	1.55
3	Dec. '50	99	100	3.00
3	Feb. '53	97¾	99	3.10
3	Jan. '59	96½	97¾	3.16
*4½	Sept. '51	113	114½	2.89
*4½	Feb. '56	113½	114¾	3.25
4½	July '57	113½	115	3.31

%	Due	Bid	Ask	Approx. Yld.
*4½	June '55	115½	117	3.23
5	Feb. '54	116	117½	3.33
*5e	July '69	113½	114½	b1.58
*5e	Oct. '69	117½	119	b2.96
*5e	Feb. '70	117	118½	b3.03
Grand Trunk Pacific Rly.:				
3	Jan. '62	97	98½	3.10
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	84	87	4.57
3½	Aug. '49	88	91	4.96
3½	June '56	84	88	4.62
c4	Nov. '47	94	97	4.54
c4½	Apr. '61	94	97	4.73
c5	Jan. '60	98	102	4.83
Nova Scotia:				
3	Jan. '52	93	94½	3.61
3½	June '56	92	94	3.78
3½	Nov. '50	96	98	3.74
c4½	Sept. '52	104	106	b3.45
c4½	Nov. '60	106	109	3.85
c5	Mar. '60	111	114	3.95
Ontario:				
2½	May '45	99	100½	2.36
3	Apr. '48	98½	99¾	3.05
3	Nov. '50	98	99	3.12
3½	Nov. '51	99½	100¾	b3.15
3½	May '55	99	100½	b3.22
*4	June '62	103	105½	3.62
4½	June '50	107	109	3.34
*4½	Jan. '62	110	113	3.62
5	Oct. '48	109	111	3.32
*5	Dec. '60	117	120	3.57
5½	July '46	109½	111½	3.05
Ont. Hydro Commission:				
3	Aug. '48	98½	99¾	3.05
3½	Feb. '53	99	100½	b3.18
3½	Apr. '47	101	102½	3.04
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	93	94½	3.96
3½	Mar. '48	94½	96	3.92
3½	Mar. '59	91	92½	4.09

%	Due	Bid	Ask	Approx. Yld.
3½	Feb. '55	95	96½	4.08
4	Mar. '52	98	99½	4.05
4½	Aug. '58	99	101	4.17
4½	Jan. '63	101	104	4.22
Alberta:				
4	Dec. '54	54	56	d
4½	Oct. '51	64	69	d
c4½	Oct. '56	55½	58	d
*5	Oct. '59	57	60	d
c5½	Apr. '52	62	65	d
6	Mar. '47	65	69	d
British Columbia:				
c4	Dec. '57	97½	100	4.00
*4½	Jan. '51	101	102	4.25
c4½	Oct. '53	101	102	4.30
c5	Apr. '54	104	105½	4.44
5½	Feb. '45	102½	104	4.33
6	Feb. '47	104	107	4.61
Manitoba:				
c4	Dec. '57	83	88	5.06
c4½	Dec. '56	86	90	5.46
*5	Dec. '59	90	95	5.42
5½	Oct. '55	94	97	5.81
6	Apr. '47	98	100	6.00
Saskatchewan:				
4	Sept. '54	65	69	7.74
4	Nov. '60	63	67	7.12
c4½	Oct. '51	80	83	6.70
c4½	Mar. '60	70	73	7.12
5	Aug. '58	72	75	7.65
5½	Oct. '52	77	81	8.07
6	Mar. '52	83	86	7.93

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 30, 1941

Industrials:	Bid	Ask.		Bid	Ask.		Bid	Ask.
Acme Farm., pf.	37½	..	Mt. Royal H., c.	2½	3½	Brit. Amer.	50	55
Andian National	29	32½	Morrison Br. un.	5	6½	Canadian Fire	81	85
Anglo C. Tel., A	7½	8	N. B. Tel., c.	10	12½	Confed. 30% pd.	137	142
Atlas Steel	..	18¾	Neilson, Wm., c.	9	..	Continental L.	35	40
Barrymore, pfd.	29	..	Do., pfd.	100	..	Crown, fully pd.	255	265
Blue T. Brew. A	9	10½	N. Meth. Ldy. p	53	57	Dominion Fire	139	..
Do., B	6	7½	Ont. Tobacco, p.	17	20	D. of Can. Gen.	112	120
B. C. Pulp, c.	10	12½	Pac. C. Term., c.	9	10½	Empire, 25% pd.	6	7
Do., pfd.	65	70	Prov. Paper, pfd	100	102	Excelsior 38% pd	70	75
B. C. Sugar	70	73	Ruddy, E. L., p.	22	25½	Federal, 25% pd.	50	..
B. C. Tel., 1st p.	111	114	Quinte Milk	2	3	Great-West Life	190	202
Burns & Co., A	4½	5½	Stand. Fuel, p.	55	58	Halifax Fire	14½	15½
Do., B	2½	3½	Stedman, pf. $50	56½	58	Imperial Life	291	300
Can. Co-op. Wl.	8	..	Tor. Carpet, c.	38	..	Manufac. Life	225	245
C. I. L., A c.	170	..	Do., pfd.	65	68	Monarch Life	32	35
Do., pref.	160	165	Un. F. Co-op.	2½	3½	National Life	25	27½
Can. Ing. Rand	73	77	Un. Steel, A pf.	21½	23½	Sov. L. 25% pd.	14	..
Can. Wire & C. p	107	108½	Viceroy Mfg., p.	23½	..	Sun Life	290	310
Can. Mot. L.A.B.	2¾	..	Do., com.	12½	..	Tor. General	4½	5½
Can. Tube, 1st p	90	..	Westons Hold.	3	..	Wellington Fire.	58	..
Can. West'ghouse	37	40	**Trusts & Loan Stocks:**			Western Assce.	40	44
Chase. A. W., p.	18	20	Brit. Mtge.	121½	130	**Theatre Stocks:**		
Claude Neon, p.	4½	5½	Brockville Tr.	41	..	Allen's King. un	61	65
Colonial Steam.	14½	16½	Capital Tr.	30	32½	Do. St. Cath. un	52	..
Copeland Fl. un.	13	14½	Com. Fin., c.	2¾	3	Mansf. Theat. p.	28	31
Dom. Manuf., p.	60	65	Grey&Br. Tr. $50	44	46½	Para. Kitch., p.	50	..
Dunlop T. p. $25	22	23½	Guaranty Trust.	100	103	Do., Oshawa, c	7½	10
East. Steel, pf.	..	20	Guelph & O. $50	50½	53¾	**Investment Trust Shares:**		
Easy Wash. p $10	10	12	Indust. Mtge.	25	..	Can. Investors	4	5
Goderich Elev.	6¾	7½	Lambton Loan	30	33	Inv. Found. un.	42	45
Guelph Carp., c.	18	21	London & West.	34	37	Sec's. Hold., pf.	19	21
Gurney Fdry., p	1	1½	Midland Loan	14	15½	United Corp., A	19	21
Hayes Steel, c.	..	9	Premier Trust	..	60	Do., B	3½	4
Hi'land Dairy, p.	48	50	Sherbrooke Tr.	120	..	**Power Issues:**		
Homewood San.	100	120	Sterling Trust	..	53	Can. W. N. Gas	26	..
Kingst. Ship. un	30	31½	Traders Fin. A c	7	9	Do., pfd.	102	104½
Loblaw Inc., c.	11½	12½	Do., A pfd.	83½	87	Gt. Lakes Pr., p	101	103
Maritime Tel., c.	14½	..	Trusts & Gr. new	48	50½	Int. Util. 1.75 p.	15	..
Minn. & Ont. P. c	2¾	3½	Victoria Trust	76	80	Do., $3.50 p.	34	..
M'row Screw, p.	100	..	Waterloo Tr.	100	..	Mtl. Is. Pwr., p.	38	..
Do., com.	10½	12	**Insurance Stocks:**					
Moirs, pfd.	18½	21½	Canada Life	390	408	Nor. Ont. Pr., p.	70	75

Unlisted Mines

Toronto, June 30, 1941

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Albany R			Eastward	.44	.48	Margaret	.07½	.08½	Polaris	.06	.09
(old)	.03	.05	Elmos	.07	.09	Mat Can	.02½	.03½	Pro'ary	3.00	$3.25
(new)	.07	.10	Franco	.20	.35	Mat Cons	.14	.18	Presdor	.04½	.04¾
Amal Kir	.05	.06	Galore	.01	.02½	MacLell	.20	.22	Que Man	.05	.07
Aquarius	.16	.20	Gan Cop	..	.07	McMarm	.30	.33	Rahn Lk	.00½	.01
Arjon	.03	.04	Gate Pat	.00½	.01½	Mooshla	.01	.02	Rand Mal	.05	.07
Armistice	.18	.19½	Gilbec	..	.01	Mosher	.05½	.06½	Red L GS	.01	.02
Argosy	.07½	.08½	Highridge	..	.01	McManus	.01	.02½	Ribago	.02½	.02½
Area	.02½	.03	Hoyle			Nat Mal	.28	.30	S A G A	1.75	1.85
Athona			(new)	.19	.21	New Aug	.25	.27	Sach R	3.25	3.75
(old)	.01	.02	Hugh P P	.05½	.06½	Nick Off	..	.75	Sansh Sp	.07	.09
(new)	.01½	.02½	Hutch Lk	.01½	.02	Norbeau	.15	.20	Senore	.05	.07
Barb Lar	.01½	.02½	Jasper	..	.14	Nor 1940	.05	.07	Shenango		
Bilmac	.01	.02	Keora	.01	.02	Norwin M	.03	.04	new	.22	.25
Brock	.35	.37	Kenricia	.01½	.02½	Numalake	.09	.11	Sheldon	.03½	.05
Buf Bear	..	.03	Kewagam	.01	.02	Oklend	.03	.04	Skynn'r L	.01½	.02½
Cald Bou	.02	.03	Kiena	.01	.02	O'Leary	.01	.02	Smelt G	.00¾	.01½
Cent Man	.02	.02¾	Kirk Gate	.01	.02	O Nickel	.06	.06½	Sunbeam	.02	.04
Cheminis	.02	.02¾	Lacoma	..	.01½	Opemiska	.02	.04	Springer	.19	.21
Cons Chib	.04	.05	Laguerre	.16	.20	Oriole	¾	.01½	Stadacona	.05	.08
Crescent	.00½	.00¾	Lk Dufa	.14	.16	Orpit	.06½	.07½	Thoms L	.14	.16
Dayton	.01	.02	Lk Gene	.10	.14	Ossian	¾	.01½	Treaty P	.07	.10
Dem Cad	.00½	.01	Low Pete	.10	.13	Pascalis	.25	.30	Union M	.02½	.03½
Denovo	.10	.12	Magnet M	.82	.87	Pon R old	.04	.06	Wasu	.04	.06
De Santis			Magnet L	.18	..	Pelangio	.01	.02½	West Red		
(new)	.12½	.14½	Mart Bird	.02	.03	Phoen M	.01	.02½	Lake	.01	.01¾
									Young D	.25	.26½

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 1, 1941

Public Utility Issues:	Int. Rate %	Due	Bid July 1	Asked	Bid June 24
▲‡Alg. C. H.B.R.	5	'59	7½	9½	6½
†Assoc. Tel. & T.	5½	'55	69½	72½	69½
B. C. Power	4½	'60	98	100½	98½
B. C. Tel.	4½	'61	106½	108½	106½
†Calgary Pwr.	5	'60	106½	108½	107
Do.	5	'64	102½	...	102½
†Can. Nor. Pwr.	5	'53	101½	103½	101½
*Dom. Gas & El.	6½	'45	101½	103½	101½
Gatineau Pwr.	5	'49	101	103	101
*Do., A	3¾	'69	97	99	96½
▲Do., B	3¾	'69	96½	98½	95½
Gt. Lakes Pwr.	4½	'56	98½	100½	98
Do.,	5	'57	94	97	93½
*Int. Hydro-E.	6	'44	44½	47½	43½
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law Pwr.	5	'55	97	*99	97
Macl'n-Que. Pr.	4	'59	97	99	96½
Mtl. L. H. & P.	3½	'56	100½	102½	100
Do.,	3½	'73	97	99	96½
Do.	3½	'63	97½	99½	97
†Mtl. Tramways	5	'41	89	92	88
†Do.	5	'55	59	62	56½
Nat. Lt. & Pwr.	6	'49	101	103	101
N. S. Lt. Pr.	4	'57	101	103	100½
Ottawa L.H.&.P.	4	'57	101	103	101
Ottawa V. Pwr.	5	'59	101½	103½	101
†Power Corp.	4½	'59	95	96	94
Quebec Pwr.	4	'62	101½	103½	101
*Saguenay P., A	4½	'66	106½	108½	106
▲Do., B	4½	'66	104	106	104
St. Maurice Pr.,	4½	'70	101	103	100½
Shaw. W. & Pr.	4	'61	100½	102½	100½
Do.	3½	'46	100½	102½	100½
Do.	4	'69	99½	101½	99
Union Gas	4½	'50	102	104½	102½
*Twin C. R. Tr.	5½	'52	65½	68½	65½
†United Secs.	5½	'52	40	...	43
‡Wpg. El., ser. A	5	'65	69½	...	72½
Do., B	5	'65	46½	...	49½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	70	73	70½
Do., C.O.D.	5	'53	69	72	69
Acadia Sugar	4½	'55	102	104	102
Do.	6	'54	94½	97½	94½
†Alta. Pa. Grain.	6	'46	99	101	99
Algoma Steel	5	'48	101½	103½	101½
Atlantic Sugar	4	'51	100½	102½	100½
†B. C. P. & Pap.	6	'50	84½	87½	82½
†‡Do.	7	'50	112	...	111
*Brown Co.	5½	'46	55	58	54
Burns & Co.	5	'58	61½	64½	61
Canada Bread	6	'41	100	101	100
Canada Cement	4½	'51	103½	105½	103½
Canada Electric	4½	'65	94½	97½	94
Can. Paper	4½	'52	101½	103½	101
Can. Steamships	5	'57	100	102	99½
Can. Canner	4	'51	101	103	101½
*Can. Int. Paper	6	'49	104½	106½	104½
‡Can. Locomotive (ex coupon)	6	'53	80	83	82½
‡†Candn. Vickers	6	'47	57½	60½	57½
C. P. R.	3½	'51	94	96	94
Do.	4	'49	97½	99½	97½
Do.	6	'42	102	104	102
Col. Steamships	6	'54	96	99	96
†Consol. Paper	5½	'61	65	68	69
Dom. Coal	4½	'52	102½	104½	102
Dom. Scott. Inv.	4	'52	96	99	98
Dom. Stl. & Co.	6½	'55	106½	108½	106
Dom. Tar	4½	'51	101½	103½	100½
Dom. Woollens.	6	'53	96½	99½	96½
†Donnacona P.	4½	'56	68½	71½	68
*Dryden Pap.	6	'49	99	102	99
‡Dufferin Pav.	5	'55	55½	58½	55½
†East. Dairies	6	'49	80	83	79
Famous Players	4½	'51	97½	99½	98
†Federal Grain	6	'49	98	100	98
†Fraser Cos.	6	'50	99	101	99
Galt Brass	5	'50	90	...	90
Gen. Stl. Wares.	4½	'52	99	101	98½
*Great L. Paper.	5	'55	91½	94½	90½
*Gurney Fdry.	5½	'49	70	73	70
†Gypsum, Lime	5½	'48	98½	100½	98½
Ham. By-Pr., C.	5	'55	102	104	101½
Do.	6	'56	100	102	99½
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	6½	'48	101½	103½	101½
Indust. Accept.	4	'52	81½	84½	81½
Ins. Ex. Bldg.	3	'51	40	43	42
*Inter. P., Nfld.	4½	'68	89	92	89
*Inv. Bond & Sh.	5	'47	42	45	42
†Kingston Elev.	6	'50	104	106	104
Lake St. J. P.	5½	'61	82½	85½	82
Do.	5	'61	53½	56½	53
Legare	6	'61	87	90	87
Maple Leaf M.	3	'58	72	75	72
Man. Sugar	6	'50	96½	99½	96½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

June 30, 1941

Miscellaneous Stocks:	Bid June 30	Asked	Bid June 24
Adirondack Fdry. S., c.	10	11½	10
Atlas Steel, 7% pref.	101	104	104
†Allens Tor. Th., p.	31½	34	31
Brown & Co., c.	1.15	1.30	1.10
Can. Col. Airways	3	3¾	2¾
Can. Gen. Rubber, pref.	25½	30	25
C.P.R., pref. (£ par)	1¾	2¾	1¾
Corrug. Paperbox, c.	.50	.65	.50
Dover Industries	6¾	7½	6¾
East. Bake., p.	30½	38	30
†Ft. Wm. Hotel, units	43	50	43½
Galt Brass, c.	8½	9½	8
Imperial Varnish, c.	8½	9½	8½
Inglis, John	3¾	4½	3½
Ingram & Bell, new p.	89	93	89½
Inter. Equities, units	26	30	25
Loew's Lond. Th., p.	3	3.35	3
*Midland Prop's., Inc., p.	6½	..	6
Monarch Mtge. Inv. un.	.35	.50	.30
Murphy Paint units	97½	99	97½
Nat. Hosiery com.	.75	1	.80
†N. Amer. Elev., p.	65½	70	65½
Second Std. Royal's p.	.02¾	.03¾	.02¾
Sutton Horsley	1.25	1.40	1.30
Tip Top Inc.	11¾	15½	11½
Traders Fin. Rts.	12½	13½	12½
*Wentw. Radio, pref.	3	..	2¾
West Can. Hydro, p.	11	11½	11
West Life. 10% p.	8¾	9½	9

†Currently paying on arrears.
*Issue carries arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid July 1	Asked	Bid June 24
Massey-Harris	4½	'54	91	94	89½
McColl-Fron.	4½	'49	102	104	102½
McCormick's	4	'52	96½	99½	96½
Do.	4½	'52	103	...	103
Mercury Mills	5	'59	92	95	92
Mersey Paper	5	'57	96	99	95
†Do.	6	'49	99½	101½	99
*M. & O. Paper	5	'60	81	84	..
Moirs Ltd.	6	'53	84	87	84
‡Mtl. Drydocks	6	'48	49	52	45
Montreal Apts.	4	'54	58½	61½	58½
Nat. Grocers	4	'47	101	103	101
N. S. Stl. Coal	3½	'63	80½	83½	80½
Price Bros.	5	'57	96	99	96
Do.	4	'57	84	87	83½
*Prov. Paper	5½	'47	105	...	105
Reliance Grain.	4½	'52	94	97	94
†Restigouche Co.	6	'48	97	100	96½
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	100	102	100
Silv. Dairies	6	'66	88½	91½	88½
Simpsons Ltd.	4½	'51	101	103	101
Smith, Howard.	4½	'51	103½	105½	103½
Stand. Lime	6	'44	97	...	97
Sterling Coal	6	'45	97	100	97
Stop & Shop	3	'47	53	56	52½
United Corp.	5	'53	86	89	85½
*United Gas	5½	'48	103½	105½	103½
United Gr. Grs.	5	'48	95	97	95
†Western Grain	6	'49	58½	61½	57

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

July 1, 1941

†Halifax	5	1961	108.00	109.50	4.30
Hamilton	5	1950	108.25	110.25	3.65
Montreal	5	1945	93.00	95.00	6.50
Ottawa	4½	1945	103.50	105.50	3.10
†Quebec	5	1959	103.00	106.00	4.51
Saint John	5	1950	104.00	106.00	4.23
†Toronto	4½	1955	108.50	110.50	3.55
†Vancouver	5	1950	98.00	101.00	4.86
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.35	2.55
Can. Amer. Trust	2.65	3.05
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.10	3.50
Corporate Investors	5.35	5.75
Grouped Income	...	4.65
Trans-Canada	9.25	10.10

Mining Dividends

	Rate	Close June 28	Yield %
Anglo-Huronian	‡10c	2.25	..
Aunor Gold	▲8c	1.70	..
Beattie Gold	16c	1.05	15.3
Bralorne	80c+40c	9.75	*12.3
Broulan Porc.	12c	.81	14.8
Buffalo Ankerite	▲20c	3.80	..
Bulolo Gold	$3	15.75	19
Can. Malartic	8c	.52	15.4
Cariboo Gold	16c+8c	2.10	*11.4
Central Patricia	16c+6c	1.70	*12.9
Chesterville	5c	1.39	..
Cochenour Willans	3c	.70	..
Coniagas	▲17½c	1.50	..
Coniaurum	16c	1.29	12.4
Cons. Smelters	$1+$1.50	35.50	*7
Delnite	‡6c	.70	8.6
Dome Mines	$2	21.75	9.2
East Malartic	‡30c	2.28	13.1
Falconbridge	▲10c	2.55	..
Francoeur Gold	‡3c	.38	..
Goldale	‡2c	.12	..
Gold Belt	▲2c	.23	..
Grandview	▲1½c	.12½	..
Gunnar Gold	6c	.21	..
Hallnor	60c	4.00	15
Hard Rock	▲5c	.69½	..
Hedley Mascot	▲4c	.50	..
Hollinger	65c+45c	12.12	*9
Howey Gold	2c	.23	..
Hudson Bay	‡$2	25.50	7.8
Inspiration	†2c	.25	..
Inter. Nickel, com.	$2	31.50	6.3
Island Mountain	▲8c	.90	..
Jason	†2c	.38	..
Kerr Addison	▲17c	4.20	..
Kerr Lake	‡10c	.30	..
Kirkland Lake	10c+2c	.70	*17.2
Kootenay Belle	▲4c	.22	..
Lamaque Gold	40c+15c	4.50	*12.2
Lake Shore	$1.40	15.25	9.2
Leitch	8c	.46	17.4
Little Long Lac	‡30c	1.86	..
Macassa	32c+3c	3.80	*9.2
Madsen R. Lake	6c	7.3	..
Malartic Gold	†5c	1.02	..
McGillivray Coal	‡3c+1c	.21	..
McKenzie Red L.	12c	1.07	11.2
Moneta	8c	.32	..
McIntyre-Porc.	$2.22+$1.11	47.75	*6.2
MacLeod-Cockshutt	‡20c	1.65	..
Naybob Gold	4c	.22½	..
Negus	†5c	.65	..
Nipissing	15c	1.09	13.7
Noranda	$4	53.00	7.5
North Empire	▲20c	4.75	..
O'Brien Gold	‡10c	.63	..
Pamour Porc.	12c	1.05	11.4
Pato Cons.	20c+2c	2.50	8.8
Paymaster	‡1c	.15	..
Pend Oreille	†6c	1.35	..
Perron Gold	16c+4c	1.38	*14.4
Pioneer, B.C.	40c	2.00	20
Pickle Crow	40c	3.00	13.3
Placer Develop.	$1.20	8.50	14.1
Premier	12c	.88	13.6
Preston E. Dome	20c+10c	2.99	*10
Privateer Mines	▲6c+2c	.50	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.01½	..
San Antonio	14c+6c	2.40	*8.3
Sheep Creek	16c	.80	20
Sherritt Gordon	▲5c	.66	..
Sigma Mines	▲30c	7.55	..
Silbak Premier	16c	.76	21
Siscoe	▲4½c	.52	..
Sturgeon River	4c	.15	..
Sudbury Basin	▲2½c	1.19	..
Sullivan Cons.	▲5½c	.58	..
Surf Inlet	▲1c	.10½	..
Sylvanite Gold	28c	2.45	11.3
Teck-Hughes	40c+5c	2.87	*15.8
Toburn	12c+8c	1.50	*13.3
Upper Canada	▲7c	1.91	..
Ventures	▲10c	3.50	..
Waite Amulet	10c	2.40	..
Wendigo	3c	.17½	..
Wright-Harg.	40c+30c	4.05	*17
Ymir Yankee	2c	.06½	..

*Yield including bonus. †Initial.
‡Paid in 1940.
▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg, p.	$1.37½	Aug. 1	July 15
Beatty Bros. 1st pf.	$1.50	Aug. 1	July 15
Biltmore Hats	15c	July 15	July 4
Brockville Trust	62½c	July 2	June 20
Bathurst P. & P., A	25c	Sept. 1	Aug. 15
B. C. Elec. Rly., p.	2½%	July 15	June 30
Buff. Ankerite	10c	Aug. 1	July 25
Bralorne Mines	20c	July 15	June 30
Do., extra	10c	July 15	June 30
Bell Telephone	$2	July 15	June 23
B. C. Power, A	50c	July 15	June 30
Brant. Cord., 1st p.	32½c	July 15	June 20
Bertram & Sons	15c	Aug. 15	Aug. 1
Broulan Porc.	3c	July 24	June 30
Can. Industries A B	$1.50	July 31	June 30
Do., pref.	$1.75	July 15	June 30
Canadian Car, pref.	44c	July 10	June 21
Can. Bk. Commerce	$2	Aug. 1	June 30
Can. Converters	50c	July 31	June 30
Can. Fairbanks, pf.	$1.50	July 15	June 30
Canadian Oil, c.	12½	Aug. 15	Aug. 1
Do., extra	12½	Aug. 15	Aug. 1
Can. Silk Prod., A	37½c	June 30	June 16
Can. Tube & Stl, p.	$1.50	July 15	July 8
Can. Light & Pr.	50c	July 15	June 26
Can. Pac. Rly., pref.	2%	Aug. 1	July 1
Canada Bud	20c	July 10	July 2
Can. Gen. Invest.	12½c	July 15	June 30
Can. Wallpaper, A, B	$1	July 14	July 4
Can. Nor. Power	■25c	July 25	June 30
Do., pref.	■$1.75	July 15	June 30
Can. Bronze	37½c	Aug. 1	July 21
Do., pref.	$1.25	Aug. 1	July 21
Can. Int. Tr. Shs.	.133574	July 2	Coup. 22
Do., mod., com.	.135736	July 2	Coup. 22
Can. Equity Shs.	26c	June 30	June 15
Comm. Alcohols pf.	10c	July 15	July 1
Cons. Smelters	50c	July 15	June 19
Do., extra	75c	July 15	June 19
Can. South. Rly	$1.50	Aug. 1	June 30
Coronation Rylts.	1½c	June 30	June 16
Coniagas Mines	5c	Aug. 8	July 24
Dominion Fire	$3	June 30	June 30
Dom. Tar & C., p.	$1.37½	Aug. 1	July 12
Dominion Bank	$2.50	Aug. 1	July 19
Dom. Oilcloth	30c	July 31	July 15
Do., extra	10c	July 31	July 15
Dom. Textile, pref.	$1.75	July 15	June 30
Dome Mines	■50c	July 21	June 30
Ensign Insur.	$1.50	June 30	June 30
Frontier Rylts.	1c	June 30	June 16
Foundation Co.	25c	July 18	June 30
Four Star Pete.	1c	July 18	June 27
Guar. of N. Amer.	$1.50	July 15	June 30
Do., extra	$2.50	July 15	June 30
Guelph & Ont. Inv.	$1.50	July 2	June 20
Guelph Trust	$1.25	July 2	June 20
Gt. Lakes Power, p	$1.75	July 15	June 30
General Trust, pf.	$1.25	July 15	June 30
Grandview Mines	†1c	Aug. 10	July 15
Highland Dairy, p.	$2.50	July 30	June 24
Hollinger Cons.	5c	July 15	June 30
Do., extra	5c	July 15	June 30
Imperial Bank	$2.50	Aug. 1	June 30
Inter. Bronze	37½c	July 15	July 5
Do., pref.	37½c	July 15	July 5
Invest. Found. pref.	75c	July 15	June 30
Inter. Nickel, pf.	†$1.75	Aug. 1	July 2
Inter. Milling, pf.	†$1.25	July 15	June 3
Jason Mines	■‡2c	July 15	June 30
McIntyre Porc.	55½c	Sept. 2	Aug. 1
Montreal Telegraph	43c	July 15	June 30
Montreal Power	38c	July 31	June 30
Malartic Gold	‡5c	Aug. 1	July 2
McColl-Front. p.	$1.50	July 15	June 30
Maritime Tel.	20c	July 15	June 20
Do., pref.	17½c	July 15	June 20
Naybob Gold	1c	July 15	July 2
Nat. Biscuit, c.	†40c	Oct. 15	Sept. 16
Do., pref.	†$1.75	Aug. 30	Aug. 15
Nat. Steel Car	50c	July 15	June 30
Nor. Can. Mtge., p.	■25c	July 1	....
North. Ont. Power	20c	July 25	June 30
Do., pref.	$1.50	July 25	June 30
Nor. Can. Mtge. pf.	■25c	July 1	....
N. B. Telephone	13c	July 15	June 30
Ont. Silknit, pfd.	$1	July 15	June 30
O'Brien Gold	5c	July 31	July 10
Pend Oreille	†6c	July 28	June 27
Premier Gold	3c	July 15	June 13
Preston E. Dome	5c	July 15	June 30
Do., extra	2½c	July 15	June 30
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
Power Corp., pref.	$1.50	July 15	June 30
Do., 2nd pref.	75c	July 15	June 30
Prairie Rylts.	1c	June 30	June 16
Royal Crest Pete.	1c	July 15	June 27
Rolland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 2	Aug. 15
Saguenay Pwr., p.	$1.37½	Aug. 1	July 15
St. J. Drydock, p.	$1.37½	July 2	June 21
Sigma Mines	■30c	July 15	June 30
Simpsons, pref.	$1.62½	Aug. 1	July 18
South. Can. Pwr.	■20c	Aug. 15	July 31
Do., pref.	$1.50	July 15	June 20
Steel of Can.	75c	Aug. 1	July 7
Do., pref.	75c	Aug. 1	July 7
St. Law. Corp. A p	■25c	July 15	June 30
St. Law. Paper, p.	■50c	July 15	June 30
Smith, H. Pap., pf.	$1.50	July 15	June 30
Std. Radio, A. B.	‡10c	July 10	June 30
Sheep Creek G.	4c	July 15	June 30
Sullivan Cons.	2½c	July 15	June 16
Shaw. W. & Pr.	23c	Aug. 25	July 24
Silbak Premier	4c	July 25	July 5
Stand. Chemical	75c	July 30	June 30
Sundance Rylts.	1c	June 30	June 16
Sun Trust	$2.50	June 30	June 26
Trusts & Guarantee	$1	July 2	June 24
Tuckett Tob., pf.	$1.75	July 15	June 30
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	75c	Oct. 1	Sept. 20
Walker-Good.	$1	Sept. 15	Aug. 22
Do., pref.	25c	Sept. 15	Aug. 22
Weston, Geo., pref.	$1.25	Aug. 1	July 15
Western Grocers	75c	July 15	June 20
Do., pref.	$1.75	July 15	June 20
Western Assur., p.	$1.20	July 2	June 30
Westflank	1c	June 30	June 16
Willson Stat., pfd.	$1.25	July 15	June 30
Do.,	$1.25	Oct. 15	Sept. 30
Zellers, com.	■20c	Aug. 1	July 15
Do., pref.	■37½c	Aug. 1	July 15

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.
‡Initial.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 218

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1941, and that the same will be payable at the Bank and its Branches on and after Friday, 1st August next, to shareholders of record at the close of business on the 30th June, 1941. The Transfer Books will not be closed.

By Order of the Board.
A. E. ARSCOTT,
General Manager.

Toronto, 20th June, 1941.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1941.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1941.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1941.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
June 23, 1941.

The Dominion Bank

Dividend No. 235

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st July, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of August, 1941, to shareholders of record of the 19th July, 1941.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 12th June, 141.

O'Brien Gold Mines, Limited

(No Personal Liability)

DIVIDEND No. 5

NOTICE is hereby given that a Dividend of Five Cents (5c) per share has been declared by the Directors of O'Brien Gold Mines, Limited (No Personal Liability), payable in Canadian funds on July 31st, 1941, to Shareholders of record at the close of business on July 10th, 1941.

By Order of the Board.
H. A. GREEN,
Secretary.

Ottawa, Ontario.
27th June, 1941.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

The quarterly Dividend of 1¼% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of August, 1941, to Stockholders of record as of the 21st day of July, 1941.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending July 31st, 1941. Payable the 1st day of August, 1941, to Stockholders of record as of the 21st day of July, 1941.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
June 27, 1941.

STELCO The Steel Company of Canada Limited

PREFERENCE DIVIDEND NO. 120

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending June 30, 1941, payable August 1, 1941, to shareholders of record at the close of business July 7, 1941.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Canada, June 25, 1941.

STELCO The Steel Company of Canada Limited

ORDINARY DIVIDEND NO. 96

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending June 30, 1941, payable August 1, 1941, to shareholders of record at the close of business July 7, 1941.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Canada, June 25, 1941.

Acadia Coal Co. Boosts Miners Wages

From Our Own Correspondent

MONTREAL. — Miners employed by Acadia Coal Co., subsidiary of Dominion Steel and Coal Corp., will get an increase of 15 cents a day in their basic rates of pay as set by the contract signed last February. The increase was effective from June 1, and embodies a flat increase to day rate men and an advance in the rate to contract men to net them 15 cents on their average production. The contract men will be allowed their increase on higher than average production as well.

The increase was not sought by the men and came as a surprise. The company said the action fulfilled its promise of two years ago that when funds were available, increases in wages would be given from time to time.

Montreal Drydock 6% 1948
Wanted
Can. Vickers 6% 1953
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Grain Shipped Rises 45%

Grain shipments on the Great Lakes got a 12 days start on 1940, according to G. L. Parsons, president of Goderich Elevator & Transit Co. First two shipments from Fort William reached the company on April 14 and 15, and by June 30 approximately eight million bushels were received, against 5½ million bushels in 1940, a rise of over 45%.

Domestic milling and feed requirements have been heavier, domestic shipments up 37½% and export traffic up 19%. Movement eastward slowed up toward the end of June, but was expected to pick up in July, the president stated.

Transport Crowded

Depleted by war transfers, canal tonnage is fully occupied with diverse cargoes, grain, ore, coal, etc. Upper lake and bay port elevators will be used more extensively along with the railroads in handling eastbound grain. Quantity movement from the elevators will probably be governed by car supply, and the grain will be moved to the points where handling is rapid and transport can be most effectively economized. Box cars are being loaded to maximum capacity, and are moved on as soon as loading, servicing, etc., is complete.

Present Winnipeg information is that western wheat crops are in exceptionally good condition and under normal growing environment may produce another generous yield, Mr. Parsons stated. The president's report was mailed to shareholders with the recent dividend cheque.

Mexican Light Meeting To be Called Soon

Arrangements for calling meetings of bond and debenture holders of Mexican Light & Power Co. are practically complete and it is expected notices will be sent out in July, according to S. G. Cowell at the recent annual meeting.

New tariffs became effective June 15, the Mexican Government having withdrawn its suspension order. The company is accordingly going ahead with the construction of a new 25,000 kw.h. steam unit.

General business conditions are reported favorable, it was stated. The water situation, which had been serious for a number of months, has now improved, and most of the restrictions on the use of electricity have been removed.

R. H. Merry was elected a temporary director, filling the vacancy caused by the death of E. R. Wood. Other directors were re-elected.

DIRECTOR

W. J. Hastie has been elected a director of the Western Assurance Co. and the British America Assurance Co. to fill vacancies caused by the death of the late E. R. Wood. Mr. Hastie is secretary and a director of the Central Canada Loan & Savings Co. and vice-president of the Toronto Savings & Loan Co., of Peterborough.

National Biscuit Sales Mount

Earnings For First Half Expected to Better Last Year's 69 Cents

Sales of National Biscuit Co. in the second quarter are reported to be showing a satisfactory increase over the corresponding period of last year, with operating profits correspondingly higher. All of the various National Biscuit lines are understood to be sharing in the gain, with sales in industrial centres leading. Sales of the English and Canadian (Christie Brown) subsidiaries are holding up well, with wartime taxes a heavy adverse factor in both countries.

In the first quarter of 1941, earnings of 37 cents per share were recorded and in the second quarter of last year, 31 cents. It is anticipated that the first half of 1941 will be higher than the 69 cents earned in the first half of 1940, but tax adjustments and increased rates may cancel a large part of the gain in operating earnings.

Demands Business Chief For War Supply Job

Canadian war production should be put under the direction of a manufacturer of great experience and energy, The Globe and Mail, Toronto, urged this week, in one of a series of editorials dealing with war problems affecting Canada.

Repeating almost verbatim the case for a non-political head of munitions production that has been outlined repeatedly in The Financial Post, The Globe and Mail said:

"The training of our armed forces is a military job. The production of munitions is an industrial job. The military and political authorities must decide the number and types of weapons and machines of war, because these things are determined by the number and extent of the various military formations and the public money available for their requirements. But once that decision is reached, the supply of weapons and machines of war is a straight industrial job and should be dealt with in that way.

"No Cabinet Minister, whose time is constantly subject to the demands of public office, can do this job as it should and must be done. Much has been accomplished and great strides have been made in converting our industrial capacity to war production, but we still have a very long way to go before we can supply our military forces with even the most urgent needs of war. This job should be tackled without further delay. Munitions production in Canada ought to be put under the direction of a manufacturer of great experience and energy. He should head an organization completely divorced from the politics and from the red tape of government procedure. From the very outset he should have associated with him in his organization representatives of organized labor. This organization should have a completely free hand and should be answerable only for results. A Canadian manufacturer of the calibre of Mr. Knudsen in the United States is the kind of man we need for this job.

"Unless we Canadians are prepared to recognize the inescapable truth that we are getting along far too slowly with the production of the things needed to fight a war, then our troops may be called upon one day to defend our shores with little more than their bare hands. At present we are almost wholly unprepared to meet the enemy in any field. There is no need to argue about the failure to equip our troops. Let all credit be given where credit is due. But let us not hide our heads in the sand and pretend that we have weapons which do not exist.

"The greatest industrial nation in the world lies just to the south of us. More than half of the potential steel production is in the United States. The United States have placed their vast military industrial programme under the joint control of an industrial leader and a representative of labor. The survival of freedom depends very largely on the success of that method. That in itself would seem a good reason why we should adopt that method in Canada and speed up the production of munitions to the limit of our capacity."

Goodyear Sales On Good Level

Total sales and earnings of Goodyear Tire & Rubber Co. of Canada for the first half of 1941 "compare very favorably with the same period of 1940," states A. G. Partridge, president.

Preferred shareholders, he adds, have responded to the requests for tenders of preferred shares to such an extent that it is unnecessary to make any call for redemption at this time. About a month ago holders of preferred shares were asked to tender shares for purchase and redemption by the company in accordance with provisions of this stock.

Dominion Coal Co. And Union Seek Ruling

Ottawa will be asked by representatives of the United Mine Workers and Dominion Coal Co. to interpret clauses in the McTague Tribunal's recommendations dealing with costs of living bonuses and increases in mechanic rates.

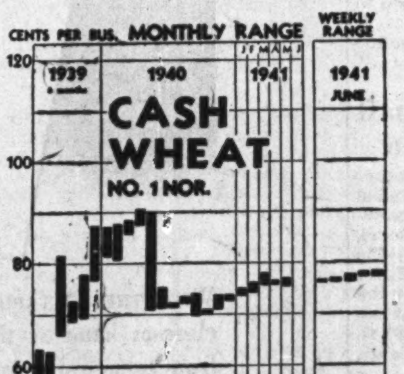
Maritime Tel. & Tel. Raises Dividend

Maritime Telegraph and Telephone Co. has declared a dividend of 20 cents a share on its common stock, payable July 15, 1941, to shareholders of record June 20. This is an increase from the last previous payment which was 17½ cents a share paid on April 15 this year.

HOUSING FOR AMHERST

Construction programme of Wartime Housing Ltd., Government company set up to relieve shortage of accommodation in war activity areas, will be extended shortly by a project at Amherst, N.S. Tenders have been called for erection there of one staff house and 50 single family dwellings.

Wheat Prices



Cash Quotations

Wheat	For Week June 28 High	Low	Prev. Week High	Low
1 Hard	.77⅜	.77¼	.77¼	.77⅛
1 Nor.	.77⅜	.77¼	.77¼	.77⅛
2 Nor.	.75	.74⅞	.74⅞	.74¾
3 Nor.	.72	.71⅞	.71⅞	.71¾
4 Nor.	.70¾	.70⅝	.70⅝	.70¼
5 Wheat	.69½	.68½	.68½	.67½
6 Wheat	.67½	.67½	.67½	.66½
Feed	.65½	.65½	.65½	.65½
Oats:				
2 C. W.	.43⅜	.40⅝	.41	.38½
3 C. W.	.41⅝	.38⅞	.39	.36¼
Barley:				
1 Feed	.54⅛	.51⅞	.52⅛	.48⅝
2 Feed	.53½	.50⅞	.51⅛	.47⅝
Flax:				
1 C. W.	1.62¾	1.54¾	1.59⅛	1.48⅞
2 C. W.	1.60	1.52	1.56½	1.46⅛
Rye:				
2 C. W.	.58¼	.56⅞	.59¾	.56⅝

Winnipeg Grain Futures

Week to June 28, 1941

Crop year from Aug. 1, 1940 High	Low		Open June 24	High for week	Low for week	Close June 23	Close year ago
		Wheat					
.81⅜	.77½	July	.77½	.77½	.77½	.77½	.71⅝
		Oats					
.41⅝	.29½	July	.39½	.41⅜	.38⅞	.41⅛	.29½
.36⅛	.30¾	Oct.	.35½	.36⅞	.35⅛	.36¼	.26⅝
.34⅛	.33	Dec.	.33⅞	.34⅞	.33½	.34¼	.26⅝
		Barley					
.54⅛	.39⅞	July	.52⅛	.54⅛	.51⅛	.52⅝	.32¼
.47⅝	.41⅞	Oct.	.47⅛	.47¼	.45¾	.46½	.33½
.46	.44¼	Dec.	.45¾	.45¾	.44½	.44½	.34⅝
		Flax					
1.92⅝	1.29½	July	1.60	1.63	1.53¼	1.62	1.30
1.79⅝	1.41¼	Oct.	1.57¼	1.58	1.51½	1.54½	1.33¼
1.52½	1.45¾	Dec.	1.53½	1.56	1.49⅝	1.52	......
		Rye					
.64⅛	.47⅞	July	.59½	.59¾	.56⅛	.57	.40⅛
.61⅝	.50½	Oct.	.57⅞	.57¾	.55⅝	.56½	.39¾
.59	.54⅝	Dec.	.56½	.57	.55½	.55⅝	.40⅝

Week in Wheat

Blistering Heat Hits Bumper Crop Chances

Extent of Recovery Will Depend on Weather From Now to Harvest — Maturity Rushed Too Fast — Quota Troubles Looming

A very considerable percentage has been cut from the possible production of the western wheat crop by the recent blistering heat wave. Degree of damage will depend on weather from now until harvest. Temperatures have moderated, especially in Alberta, and if a period of cool wet weather follows, losses will be relatively small. More intense heat, however, would be serious.

Only in limited areas, it should be realized, has the crop suffered from lack of moisture. Loss is due to abnormal hastening of its maturity. There has been a tendency to form small heads before a satisfactory degree of growth has been attained.

In Manitoba, where moisture has been more abundant than in the other two provinces conditions can still be spoken of as decidedly favorable, but elsewhere the outlook is more spotty.

U. S. Price Rise

The rise in wheat prices in United States appears to have been checked by fears of government intervention. This is aimed no longer at improving agricultural income, but at preventing the cost of living from rising too rapidly. For the moment price levels appear to be fairly well under government control.

Wheat prices are kept from falling by the fact that no farmer needs to sell his official quota allotment of wheat at less than the amount which the Government will lend to him on that security. If he has grown wheat beyond his allotment he may not sell it at all, except on payment of a tax, sufficiently high at least for the present, to prevent such sales.

There is a certain amount of war psychology in the market, which makes for higher prices, but if this tends to put wheat prices higher than desired, the Government, which owns a great deal of wheat, can sell to keep the rise in check.

• • •

War and Prices

Just why the war should be sending up wheat prices in the United States is somewhat mysterious. That country has a great surplus, little or none of which is likely to be exported, so long as Canadian grain is available overseas at 25% lower prices. Practically nothing except outright gift of American wheat to warring countries is likely to move it into export channels.

One might think that anyone who expects American wheat prices to maintain their present levels or to rise higher would buy Canadian wheat on speculation. Such buying, of course, may yet develop. For the moment, however, it is precluded by the fact that October wheat is not yet traded at Winnipeg, and no one who can avoid doing so wants to buy the July option.

July is at a pegged level and the peg for October is expected to be set lower, in view of the fact that the Canadian Wheat Board price on Aug. 1 reverts to the basic level of 70 cents. Until then, however, the official price is 70 cents plus six cents allowed for farm storage. Perhaps in August, so runs the argument, one may not be able to buy wheat from the Wheat Board at 70 cents. But surely one will be able to buy it from farmers at little above that level, as in the past growers have been willing to sell on the open market at prices only a couple of cents above official minimums. Against that theory is the fact that there can be no great rush of new wheat from farms in the early part of the new crop year, on account of elevator congestion. It would not take buying at a very heavy rate to absorb wheat as rapidly as farmers will be able to deliver it.

• • •

Quota Trouble Looms

The convention of the United Farmers of Manitoba at Brandon last week passed a resolution objecting to the proposed method of allocating wheat delivery quotas for the coming crop year, and asking that the first thousand bushels from any farm should be free from restrictions. This is probably the forerunner of a good deal of dissatisfaction likely to develop from application of restricted deliveries.

No such dissatisfaction resulted from handling the crop of 1940, in spite of the fact that for the greater part of the crop year farmers' deliveries of wheat were regulated by quota. That was because it became evident quickly that room was going to be found for all wheat that farmers had produced, and that in no case would the quota system mean anything worse to a farmer than inconvenience. He recognized the system prevented elevator space being monopolized by those farmers in a position to deliver early.

• • •

How Will Quota Work?

But the quotas to be in effect for the coming crop will limit the farmer's total deliveries, and in many cases will leave him with some wheat which he is forbidden to sell. Inevitably there will appear to be inequities.

Total deliveries to be allowed in western Canada, whether made to the Wheat Board or sold on the open market, are to be 222 million bushels. That could be distributed evenly over the 21 million acres put into wheat at perhaps 10 to 12 bushels per seeded acre, with production and deliveries balancing because inevitably some acreage will fail to produce the whole delivery quota allotted to it. If the total western crop is no more than 270 million bushels, practically speaking every farmer would be able to deliver all his wheat, after allowing for retention of feed and feed supplies.

But suppose that the crop is 375 million bushels, a figure not at all unreasonable, then what will happen? Immediately a conflict of interest develops. The Wheat Board announcement is to the effect that a preliminary quota will be applied uniformly to all wheat acreage, and that subsequent allocations of deliveries will be on the basis of actual crop yields at different points.

• • •

Sources of Friction

Until one starts to work it out this sounds like a practical application of the theory that to him that hath shall be given. But consider a farmer who, because weather is unfavorable, produces only 13 bushels per acre, as opposed to another who has 40 bushels. Can you satisfy the first man if you cut his deliveries down to 10 bushels per acre in order that the second one may deliver 20 bushels. The first one will consider it quite unfair, and he will allege, as will probably be the case, that the man with the larger yield per acre has other income from coarse grains, livestock and dairy operations, and that he, situated in an area where wheat is the only practical crop, must rely solely on his wheat income.

But the man with the larger crop will consider it unjust that he should be allowed to dispose of only half of his production while someone else delivers 80%. Moreover, the man with the large yield may say, as is likely to be true, that his yields are consistently high, that he farms in a district of high-priced land, one of expensive farming and one where taxes are high, and that he simply could not survive on yields such as are adequate to a different system of farming, followed in areas of large farms in certain districts of the West. Or he may simply argue that he is a better farmer and his higher yields are due to better skill.

In any case, trouble looms.

Why, he will ask, should the poorer or lazier type of farmer be bonused at his expense.

Commodity Indices Mostly Higher

Under the war demand for goods of all sort, commodity price indices mostly continue to work higher.

Placing of a ceiling on quotations of hides and certain cotton yarns in the United States and the discontinuance of trading rubber futures is regarded as the prelude to further moves to control prices if speculation shows any sign of getting beyond control.

On the Canadian markets, the main feature was the advance in hog markets, following the announcement of a further increase in the price of bacon for export to Britain.

	Latest week	Previous week	Same week last yr.
Cattle	$9.25	$9.35	$9.35
Hogs	14.10	13.85	11.10
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1580	.1513	.1105
Rubber, lb.	.22	.2150	.2125
Silk, lb.	3.04½	3.06	2.68
Sugar, raw, lb.	.0350	.0353	.0275
Wheat, Man. (bu.)	.77⅜	.77¼	.71⅝
Coffee, lb.	.08¼	.08¼	.05¼
Hides	.15	.15	.11½
Weekly Indices			
Canada (D.B.S.)	89.8	89.3	81.5
Do., Wood, Gundy	73.8	73.0	65.3
U. S. Labor	87.2	86.7	77.1
Dow Jones (future)	73.57	71.78	51.82
Fishers	94.3	93.4	82.3
Monthly Indices			
Canada (D.B.S.):			
Retail (May)*	109.4	108.6	104.9
W'sale (Apr.)	86.6	85.9	83.1
U. S. (Mar.)	81.5	80.6	78.4
Gt. Brit. (Dec.)	148.6	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North. Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

C. N. and C. P. Report Higher Gross Income

Canadian Pacific Railway Co. reports gross traffic earnings of $4.2 millions in the week ended June 21, an increase of $774,000, or 22.6% over the same week last year.

Gross earnings to June 21 totalled $93.9 millions, an increase of $23.3 millions, or 32.9% over the corresponding period last year.

Canadian National Railways reports gross revenue of $6 millions in the week ended June 21, an increase of $945,028, or $18.7% over the same week last year.

Gross revenue in the year to June 21 totalled $133.9 millions, an increase of $26.7 millions, or 24.9% over the corresponding period last year.

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
1423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

PARRISH & HEIMBECKER LIMITED
Incorporated 1909
Grain Receivers
Shippers and Exporters
HEAD OFFICE: WINNIPEG
BRANCH OFFICES:
MONTREAL TORONTO PORT ARTHUR CALGARY EDMONTON VANCOUVER
"An old established firm with a reputation for doing business RIGHT"

GRAIN MERCHANTS
RECEIVERS · SHIPPERS · EXPORTERS
Owning and Operating Terminal, Transfer and Country Elevators
Capacity 12,500,000 Bushels
MEMBERS
Winnipeg Grain Exchange
Chicago Board of Trade
New York Produce Exchange
and other Exchanges
Head Office, WINNIPEG - Private wires connecting offices across Canada
JAMES RICHARDSON & SONS
EST. 1857 LIMITED

GLOBE ENVELOPES
Makers of Well Gummed Envelopes
Montreal TORONTO Winnipeg
WITH BULLDOG GUMMING
ENVELOPES of all types!

O'Keefe's is better for you
O'KEEFE'S BEVERAGES LIMITED

Week in Mining

Should Wt.-Hargreaves Have Talked Sooner?

Dissatisfied Shareholders Feel They Were Entitled to More and Better Information Before Stock Skidded From $7 to $4.35 a Share

Severe and apparently justified criticism has been leveled at President Edwin Lang Miller and the management of Wright-Hargreaves Mines during the past week for their failure to reveal the unsatisfactory ore situation at depth before the interim statement of June 25. Shareholders feel they were entitled to some explanation from the management, as the shareholders' trustees, long before the stock dropped from $7 around January 15 to $4.35 a share by June 24.

Failure to find ore at depth seems to have been one of the best kept secrets in the north country in recent years. It is a secret that the Wright-Hargreaves management cannot be congratulated for keeping. To what extent this secret was kept is revealed by correspondence The Financial Post had with the Wright-Hargreaves management on the subject.

On May 7, 1941, The Financial Post wrote Mr. Miller, Wright-Hargreaves president, as follows:

"Several enquiries have been received in our office on the recent decline in price of shares of your company. With no official information available, stories have been going around that conditions at your mine are not so promising now and that an estate is liquidating a large block of stock.

"If you can give us some factual information on the present position, we will be glad to place this before our readers."

Mr. Miller replied on May 16 but neither answered the specific questions asked nor made reference to the critical mine situation that must have been apparent at that time. Mr. Miller's explanation for the market decline was as follows:

"I feel some concern exists in the minds of the public as to whether established dividend-paying companies generally can continue their distributions to shareholders as heretofore, in face of already excessive high costs due to war conditions, plus pending increased tax assessments indicated in the recent budget announced, and naturally this attitude is reflected in the market action of the various securities. In the case of Wright-Hargreaves specifically, there is no doubt that the change in dividend policy of paying April dividend in Canadian funds, representing a decrease of over 10% in return to shareholders, has asserted itself in the market price of our stock.

"On the whole **we feel fortunate indeed to have been able to maintain such satisfactory progress,** when yardsticks and precedent are being entirely destroyed in these depressed times."

This certainly did not enlighten shareholders on the trend of mine development, favorable or otherwise. Mr. Miller's last statement would seem definitely misleading to shareholders.

There is at least one important lesson to be learned from the Wright-Hargreaves situation. Shareholders are entitled to regular reports. This is not a new lesson either but one that not everyone seems to have learned. Not many years ago the Teck-Hughes management ran into the same type of situation. An investigation ensued. In this case authorities advised issue of regular quarterly reports but only after a change in management.

It is an incontrovertible truth that the position of most gold mines can change so much even in six months that the whole outlook for the mine—and the whole value of a stock—can be vastly influenced. Base metal mines—normally with huge ore reserves ahead—are not so susceptible to drastic changes. But in the case of gold mines, shareholders are entitled to frequent official report. Statements of earnings alone are not enough. If any important change has taken place in the mine position, it should be reported. This may cause extra trouble and expense but it is one certain way to avoid criticism. Officers of a company in which the public has been invited or permitted to place its savings are trustees for every shareholder and pertinent information about that investment is just as much the proper expectation of the holder of one or two shares who may live on the other side of the world as it is the holder of thousands of shares close to head office.

MacLeod Programme So Big Operating Profit Affected

From Our Own Correspondent

GERALDTON.—Operating profits of $790,621 for MacLeod-Cockshutt Gold Mines for the first six months of its current fiscal year ending Oct. 31, 1941, show a recession from the previous year. This is entirely due to the great programme now being undertaken looking to further expansion.

Work undertaken recently has included sinking of the main No. 2 shaft to 1,450 ft. depth with the ninth level station cut at 1,400 ft. A primary crusher has been installed at the eighth level at 1,250 ft. All ore will be passed to this for crushing and hoisting.

No. 1 Shaft at 1,150 ft.

The original or No. 1 shaft has now also been carried to 1,150 ft. with seven levels established at 150-ft. intervals.

Plans call for the driving of a main haulageway between the two shafts at the seventh level. Ore and waste passes will be cut in the No. 1 shaft when this has been done. This will require the balance of the year. Lateral exploration and development of the "West" ore body will be started in January on the fourth and seventh levels.

Drifting is now opening up the North ore body on the sixth or 950-ft. level. Drifts have been carried 90 ft. east and 75 ft. west from the crosscut showing typical mineralization and structure in the banded iron formation at the upper levels. Stope development on the fourth and fifth levels of the North ore body confirms the third level structure with 1,800 to 2,000 tons indicated to the vertical foot. Additional ore to the south and west is expected as development is advanced to the westerly rake of the ore structures from Hard Rock.

2,342 Tons Per Foot For "West"

Recent lateral work in the west ore body has been relatively limited. There are indicated 2,342 tons of ore per vertical foot grading 0.21 oz. before sorting and inclusive proportion of waste.

The MacLeod ore presents a difficult metallurgical problem and cost of roasting equipment is stated to have been high for the current schedule of production. A magnetic separator should be in operation in August.

Taken together the mine has an ore position of 4,500 tons per vertical foot on the third level in the "North" and "West" ore bodies. Plans for expansion are naturally linked up with the rapidity with which experimentation with metallurgical processes proceeds.

Exploratory development from the fourth and seventh levels of the No. 1 west shaft early in 1942 will be of high interest, both to the north in the West ore body and in the banded iron formation, and also to the south in the prophyry or original ore areas of the mine.

Mining Concentrates

Armistice Gold Mines is stated to have let a supplementary contract for 3,000 ft. of drilling. Work was expected to get under way on the new contract by June 30. Plans call for intersecting the major dolomitic band at 500 ft. and then to step back drilling for exploration at 300 to 750 ft. depth. The company's property adjoins Kerr-Addison Gold Mines in the Larder Lake area.

* * *

B. C. Magnesium Co. was incorporated with a British Columbia charter on June 5, 1941. Authorized capital is 50,000 shares of no par value.

* * *

Clan Placers was incorporated with a B. C. charter June 10, 1941. Authorized capital is 400 preference shares of $50 par value and 60,000 common shares of 50 cents par value.

* * *

Chromium Mining & Smelting shareholders have approved reorganization of their company as outlined previously.

* * *

C. I. M. & M. Western will hold its annual convention in Edmonton Oct. 1, 2 and 3, it is announced.

* * *

McManus Red Lake Gold Mines elected a new board of directors at its annual meeting last week. The board is now composed as follows: George McManus, president; P. C. Finlay, G. S. Drew, T. E. Cahill and C. F. Farwell, directors.

O'Brien Gold Mines has declared an interim dividend of 5 cents a share payable July 31 to shareholders of record July 10. Shares will sell ex-dividend on the Toronto Stock Exchange on July 9. A similar distribution was made last September.

* * *

Reno Gold Mines is raising on a small ore shoot in the Nugget area but not much can be said of possibilities until lateral work has been done.

* * *

Surf Inlet Consolidated has purchased a motor vessel, the "Uchuck," to convey men and supplies to the mine on Princess Royal Island.

* * *

Sally Mines operations are at present confined to work by three lessees who must pay the company 15% of net smelter returns. Leases are confined to one year. One of the three leases expired June 1 and was renewed for another year; the remaining two have some time to run.

* * *

Tyee Mining and Milling Co. was incorporated with a B. C. charter June 10, 1941. Authorized capital is 1.5 million shares of no par value.

* * *

Ymir Yankee Girl Gold Mines resumed milling ore from the Dundee mine during May; operations are stated to be back on a steady basis.

Week in Oils

Drilling "Blackout"

From Our Own Correspondent

CALGARY.—The Alberta oil industry faces a blackout of new drilling. The industry, made increasingly important since the outbreak of the war as the producer of army, air force and civilian petroleum needs, as a conserver of foreign exchange, as an important source of revenue to Dominion, provincial and local governments, faces a most serious crisis because of a drastic slump in new drilling.

Oil men see the industry being slowly throttled by ill-considered actions of the Provincial Administration, and lack of action by the Dominion Oil Controller.

* * *

The Slump in Drilling

From last fall until early this spring there was a progressive increase in Turner Valley drilling activity. As wells were completed the drilling rigs were shifted onto new locations. By April some 30 rigs were in operation.

During the past two months rigs from completed Turner Valley wells have been going on the idle list. At present, only 20 rigs are working and there is little hope that the several independent groups now drilling will keep their rigs in operation after completion of present drilling.

There will inevitably be a sharp drop in production within a few months unless idle rigs are put back to work. Outside of Turner Valley, there has been a marked slump in plans for wildcat drilling.

A higher crude oil price will be the only solution, oil producing interests here maintain. Such a boost is asked to offset the increased cost of drilling and production equipment, increased labor costs and increased taxation. Recently such increased costs are estimated to have raised cost of drilling an average Turner Valley well about $10,000. The risk of their enterprise is high, oil men point out. The return must be commensurate with this risk.

* * *

Is a Boost Justified?

Oilmen contend that the crude price should be the competitive value of the home product in the prairie marketing area.

Prior to the war, Alberta oil prices were tied to those prevailing in the United States. As Turner Valley production expanded following the crude oil strike of 1936, prices were gradually adjusted downward to meet the competition of Mid-continent and Montana oil in the Alberta field's broadening prairie market. Prices were dropped 41 cents per barrel between December, 1936, and January, 1938, and remained at this level until the summer, 1940, when two small boosts, totalling eight cents per barrel, were passed on to balance a reduction in the Turner Valley pipe line carrying and handling charges.

* * *

Tie Broken

Since the outbreak of the war, the tie between Alberta and American prices has been broken. Rising exchange rates and imposition of a 10% imports tax abruptly increased the cost of landing American oil on the Canadian prairies, but no corresponding increase was passed on to the Alberta oil producer. During the past few months, general increases in crude prices have spread through all the American oil states. This upward price trend was culminated a month ago by posting of a 10- to 13-cent boost throughout the United States.

Mr. Cottrelle's attitude, apparently, is that the several factors which have substantially increased the competitive value of Turner Valley crude during the past year or so are directly due to the war; that the crude oil producer should not be permitted to benefit through the increase.

To that oilmen answer that this policy will speed the rate of decline in new drilling, and shortly will force an increase in prairie gasoline prices 50% to 100% greater than would be necessary if a higher price were granted now.

They claim that if crude prices were boosted now by 20 cents per barrel—a figure substantially less than the differential between Turner Valley and imported oil on the prairie market—there would be strong inducement to put idle Turner Valley rigs back to work, and to expand activities in wildcat areas. It would also, of course, boost gasoline prices about one cent per gallon.

To Sink Delnite Shaft To 1,625-ft. Horizon

Deepening of the shaft for another level at 1,625 ft. has been decided by Delnite Mines following favorable results at the 1,500-ft. level, shareholders were advised at the company's annual meeting. Later this year it is planned to explore the section to the west boundary at the 1,500-ft. level. There is still 2,400 ft. of ground to be explored in this direction.

Since the year end average tonnage treated has been increased slightly with the plant now handling 450 tons daily. Exemption from income tax expired on Nov. 30, 1940.

As a result of increased mill tonnage, directors expect that earnings will permit declaration of another interim dividend of 3 cents a share before the end of the year.

Big Magnesium Output Plan

California Backing For "1,000-Ton" Cariboo Magnesium Venture

From Our Own Correspondent

VANCOUVER. — British Columbia's search for strategic metals advanced this week with the announcement that California financial interests are behind B. C. Magnesium Co., which plans establishment of a 1,000-ton mill in the Cariboo district should present development prove successful.

The company has acquired the St. Joseph claims near Williams Lake, close to the P. G. E. Railway, and also some additional property near Clinton, where chromite as well as magnesite are reported present in large volume.

H. C. "Pop" Wilmot, formerly managing director of the Lorne mine, which later became a part of the Bralorne in the Bridge River district, is consulting engineer for the American group and he is now making tests to determine the extent of the magnesite body. Wilmot at present is vice-president of Bonana Mines, important Oregon mercury producer.

Wilmot is associated with Sam R. Smith in the mercury field, and Smith, who lives in Los Angeles, is vice-president of B. C. Magnesium Co. President of the latter organization is Clay F. Anderson, Vancouver lumberman. Hugh H. Reid, Vancouver investment man, is managing director, and E. R. Curran, secretary.

Reid formed a syndicate to acquire the St. Joseph claims about eight months ago after he obtained a report made on the property by an English engineer in 1911. He had a new survey made and interested the California capital on the strength of that.

At present only one firm is producing magnesium in the United States—Dow Chemical Co.—although the Henry Kaiser interests expect to have a plant in operation this fall.

Hed. Mascot's Canty Failure

From Our Own Correspondent

VANCOUVER.—Prospects at Hedley Mascot Gold Mines are improving, but the Canty property, given financial support by Mascot and regarded as a valuable asset until recently, has proved a failure, President Wendell B. Farris, K.C., told shareholders at the annual meeting of Hedley Mascot here.

Mr. Farris said that diamond drilling had indicated that development of Canty would be worthwhile, but results had been exceedingly disappointing. Underground work found scattered occurrences, but no body of ore.

As for Hedley Mascot's main property, the company's experience had been highly satisfactory, said Mr. Farris, who predicted a long and profitable life for it. He recalled that the Mascot company had advanced $50,000 to Canty at a time when Canty looked even better than the Mascot property.

Mr. Farris believes that salvage of values from several thousand tons of Canty ore on the dump, below commercial grade, and machinery which can be used by Mascot or which has a value, may retrieve most of Mascot's investment. All work at the Canty mine was stopped about three weeks ago.

Mascot millheads are now averaging 0.34 or 0.35 oz. per ton and they are expected to continue at that level, which is below the former rate, for the next year while some 90,000 tons of probable ore are milled.

Uchi Extension Gets Approval

New Issue to be Known As "Extension" Bonds —Grasett Ore Widens

Extension of the time for repayment of its $1 million dollar bond issue was granted Uchi Gold Mines at an adjourned meeting of bondholders on June 26. While less than 51% of the bonds were represented, a quorum was present under terms of the trust deed.

Present bonds which would normally mature on Dec. 31, 1941, will now be replaced by an equal amount of "extension" bonds to be dated July 31, 1941. Interest on these bonds will be paid at 6% per annum starting next Dec. 31.

Sinking Fund Created

Retirement of the new issue will be taken care of by a sinking fund into which will be placed the entire net surplus for each year, after all charges except depreciation have been deducted. Sinking fund moneys may also be used by the trustee—the Trusts and Guarantee Co.—to purchase extension bonds. Bonds so purchased will be cancelled.

In the absence of the company's president, J. E. Hammell, who is in hospital recovering from a serious operation, the meeting was conducted by C. S. Hamilton, president of the Trusts and Guarantee Co. Mr. Hammell is now reported to be out of danger. A resolution was passed at the meeting wishing Mr. Hammell a speedy recovery.

Robert Fennell, vice-president and secretary-treasurer, in reviewing operations at the mine, stated that work on the 800-ft. level is being extended southward with encouraging values being obtained. An "excellent" ore body is being opened on the 833-ft. sub-level, but it is too early to say how much ore will be revealed. The shaft in the Grasett secton is being sunk an additional 500 ft. below the 250-ft. level. In the north drift on the 150-ft. level a length of 225 ft. shows a cut grade of $13.80 over 1.1 ft. On the 250-ft. level, 104 ft. averaged $8.44 over 1.5 ft. To the south, the first level drift cut 381 ft. averaging $10.30 over 2.1 ft. and the second level 380 ft. grading $10.82 over 2.2 ft.

Importance of the above results is stated to lie in the indicated extension of the Uchi ore to the south and in the tendency of ore disclosed at the Grasett section to widen with depth. A width of 2.6 ft. would make the Grasett material of commercial value.

Following issue of 110,000 shares for transfer of the Grasett claims under the Grasett option agreement, a total of 4,033,344 shares are now outstanding out of authorized issue of 4 million shares.

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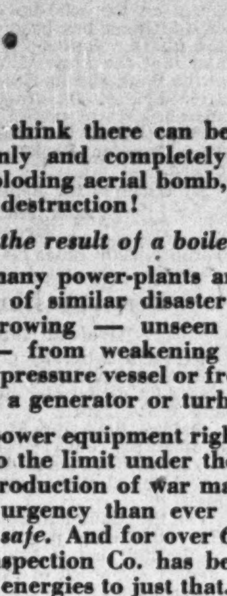

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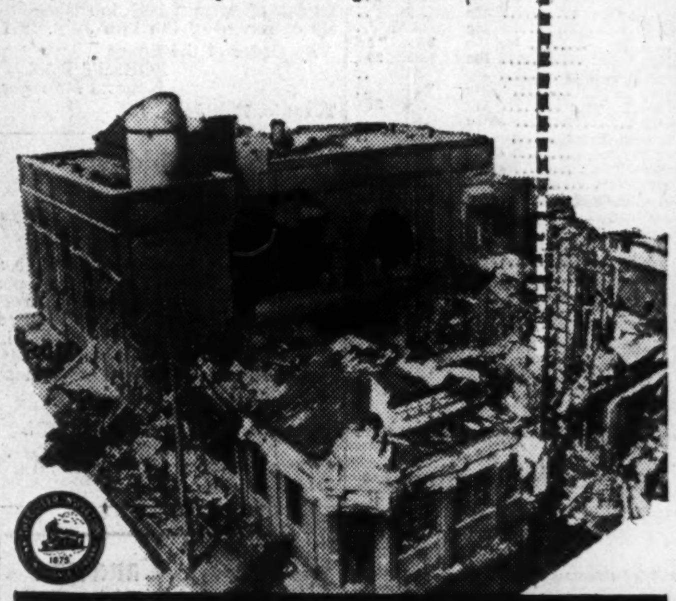

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Central Pat. Quarter Earnings Run Higher

Estimated net profit of $184,780 or 7.39 cents a share was realized by Central Patricia Gold Mines in the first quarter of 1941 compared with $158,882 or 6.36 cents a share in the corresponding period of 1940.

Production showed a considerable increase amounting to $529,733 from 33,940 tons of ore for an average recovery of $15.61 per ton compared with $487,130 from 27,596 tons of ore and average recovery of $17.65 in the same period 1940.

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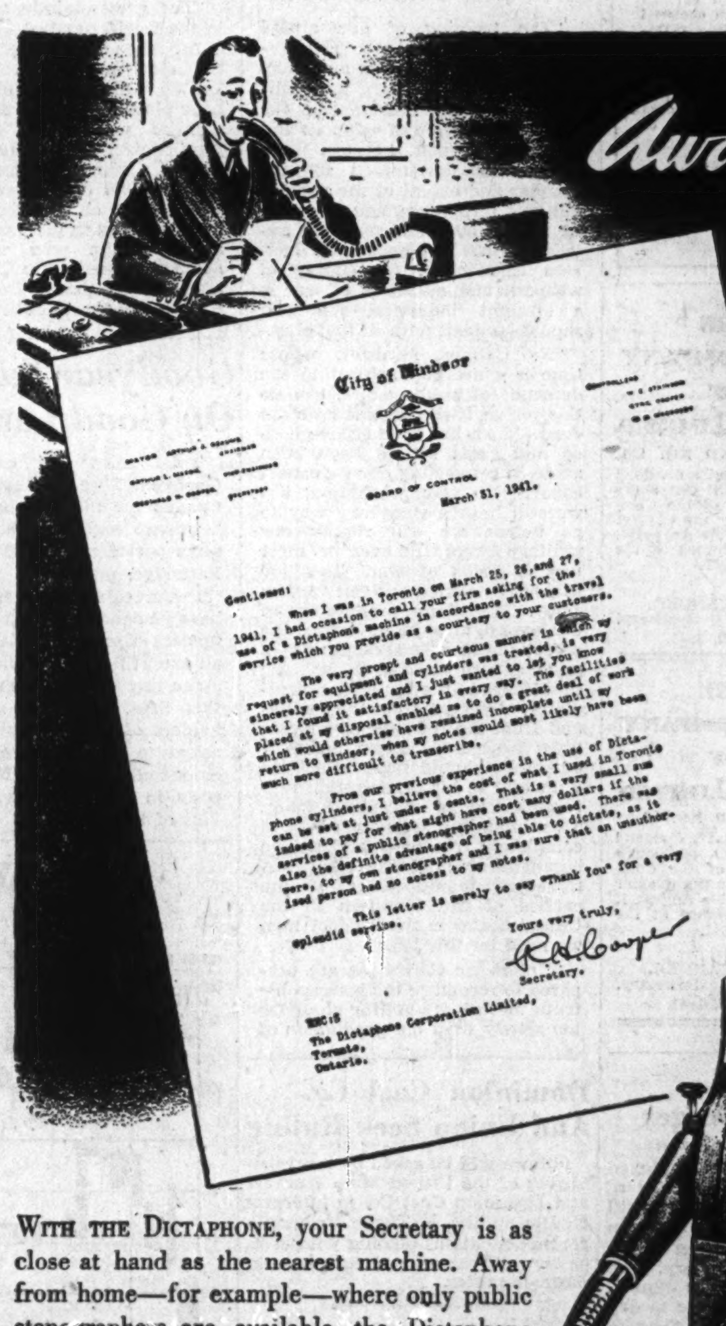

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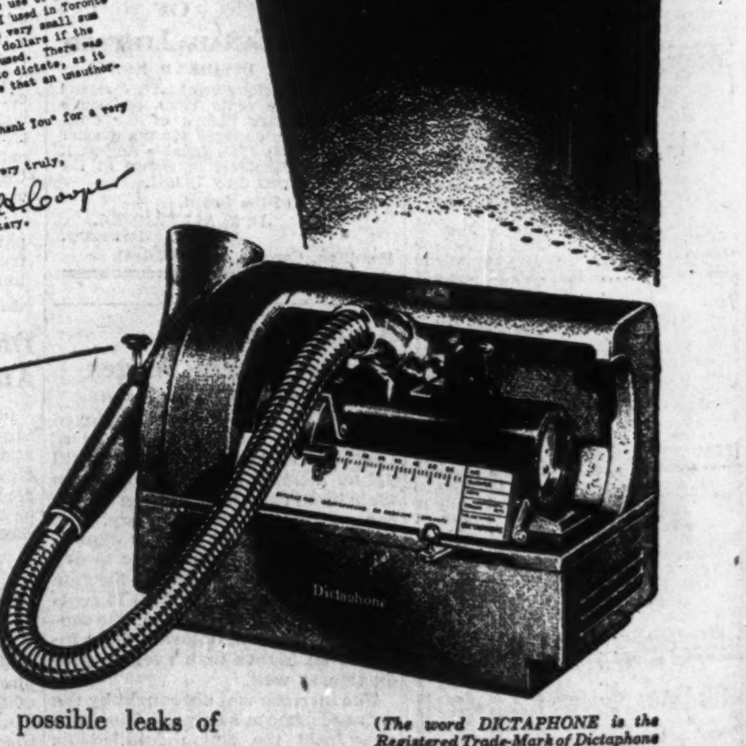

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Where We Stand in Strategic War Minerals

Three In Production, Others On The Way, Canada's Record

By GORDON M. GRANT
Staff Writer, The Financial Post

If Great Britain is able to hold out against Nazi aggression, the United States and Canada may never come face to face with the immediate problem of hemisphere defense. But authorities in both countries are taking no chances; recent experience has shown only too well the penalty of being ill-prepared or prepared too late.

America aims to be ready.

One of the biggest problems facing people charged with solution of the hemisphere defense question continues to be strategic minerals — metals that may bulk small in quantity and value but which are essential to our industrial effort. Washington is building up reserves of these metals and assisting in development of properties which are often sub-commercial in character. In Canada, the search for war metals has been undertaken privately—with considerable success — and work is being speeded up to help the Dominion Government.

Before the war, the search for special metals was practically ignored. Gold held the spotlight and it was not realized that an epoch-making industrial effort would be necessary for the ultimate conquest of Hitlerism. Many Canadian companies since the war, however, have concentrated on war metals, not so much with the thought of profits as with the idea that here was an opportunity to meet one of the country's pressing needs.

Mercury, tungsten and antimony have been placed in production on a considerable scale since outbreak of war. We could produce molybdenum now if it were needed. In a matter of months we may be producing a not inconsiderable amount of manganese. Dominion Government survey parties have joined in the effort to locate still further supplies of these and other metals.

Let's look at what specific progress has attended efforts in the war metals field:

Tungsten

This metal—which was not being produced at the beginning of the war—will soon be flowing from a number of Canadian properties. As reported previously in The Post, Slave Lake Gold Mines has an important tungsten content in its ores. Shipment of scheelite concentrates, from which tungsten is obtained, was delayed by equipment deliveries, but by now shipments to the outside world should be under way. Last week Consolidated Smelters announced that tungsten would be produced from its Red Rose property at Roche de Boule mountain near Hazelton, B.C. A small mill is being erected for this purpose.

For some time it has been known that Hollinger Consolidated could produce tungsten from its ores. Veins in the Porcupine area carry a certain tungsten content.

Hollinger is now considering installation of a small tungsten mill and if an installation is made, custom ore from other properties will be treated. Preston East Dome has shipped a certain amount of tungsten ore and might augment Hollinger's tungsten ore supply.

Besides the new Consolidated Smelter's proposition, tungsten ore is already being shipped from a number of small British Columbia operations in the Bridge River and Cariboo areas.

Manganese

Essential for steel-making, manganese is one of the most important war metals in any country's armament programme. Less than $1,000 worth a year of this ore was being produced in Canada before the war. Several properties were worked in New Brunswick many years ago but they had been dormant for several decades. With the outbreak of war, however, old government records were gone over and numerous properties were again placed under development. According to G. F. Nablo, president of Nabco Manganese, a mill costing $20,000 is planned for his company's property following satisfactory results in development. An adit was driven at 105 ft. depth. A raise has been put through to surface with a sub-level at 80 ft. The raise was stated to be in ore all the way. Where intersected in the raise, the vein ran 44% metallic manganese across 6 ft., it is stated.

At present about 75 tons of ore are being stock piled daily. The mill is expected to be on the property in six or eight weeks time. Tonnage outlined is given at 20,000 tons.

Sussex Manganese is another property where encouraging results have been obtained. Installation of a 100-ton concentrator is now being considered. Besides the high grade showing, there is stated to be a large mass of disseminated ore of chemical grade. Sinking of a shaft for further development is projected immediately.

British Manganese is having development carried out on its New Brunswick property.

Mercury

A real strategic war metal—used in the manufacture of fuses for explosives—mercury has been particularly sought after since the outbreak of war. Much of the peacetime supplies came from Italy and Spain. British Columbia holds the honor of starting the first production of mercury after the outbreak of war, with Consolidated Smelters turning out the heavy, liquid metal from its property at Pinchi Lake, in the Fort St. James region.

Although production has hardly been under way a year, production is already being expanded and it is possible this mine will soon be supplying practically, if not all, of the requirements of the British Empire. Work is not stopping there, however, for numerous cinnabar (mercury) deposits in various parts of British Columbia are being investigated. Before the war is over, British Columbia may be one of the key mercury sources of the world; it is already well on the way.

Molybdenum

When war first broke out there was a great flurry about molybdenite (the ore of molybdenum). But the British Government contracted for all its needed supplies in the United States and many of the proposed new operations were unable to proceed with no market for the product existing.

While molybdenum is a very important metal in wartime, unlike many others it is a metal whose supply is pretty well assured. Climax Molybdenum Co. in the United States has practically a monopoly on the product—controls the world price—and has enormous ore reserves. Unlike most Canadian deposits, molybdenum values at Climax are disseminated, do not occur in veins. This gives low costs with great widths being mined.

Canadian deposits can now be regarded as reserve capacity if demand for molybdenum reaches the point where the United States is unable to fill the demand. The Moss mine at Quyon, Quebec, was the largest producer of molybdenite in the world during the last war. Since the start of this one, a modern mill has been put on the property and the mine has been placed in shape for production. This year, too, the Quebec Government has a geological survey reinvestigating the deposit in the light of new information.

Regnery Mines in the Sault area is another possible source of molybdenite.

Antimony

A strategic war metal since it is an important ingredient of storage batteries and is widely used in babbitt metals for bearings, antimony is particularly important as this hemisphere produces only a small part of its requirements. Mexico is the largest producer on this side of the water.

Production of antimony by Consolidated Mining and Smelting Co. has been carried on during the war, aiding hemisphere self-sufficiency. Last April it was stated that initial difficulties with Smelter's plant had practically all been overcome. With wartime restrictions, no figures on production are handed out, but it is officially stated that the capacity of the plant has been brought up 25%. Costs were high at first but it was expected that some reduction would be experienced with initial difficulties out of the way.

Besides Consolidated Smelters, Pioneer Gold Mines has started turning out antimony in the Fort St. James area. Antimony is one of the metals the numerous survey parties in British Columbia are keeping their eyes peeled for this year. Progress in British Columbia seems to have been much ahead of anything in eastern Canada.

Chromium

So far Canada has not been successful in finding a good commercial source of chrome—the ore of chromium — although Chromium Mining and Smelting Corp. claims to have a process that can handle even low grade ores commercially. Much work has been done in years past both at Collins, Ont., in the Sault Ste. Marie area, and in the eastern townships, Quebec, but Canada at present must still depend on imported supplies.

Just over the international boundary in Montana, deposits of chrome have been located and this is to be the future source of supply for Chromium Mining and Smelting. After erection of a concentrator, it is anticipated that 200 tons of product will be received daily from this source.

As the Montana deposits cannot be classed as really rich, it appears likely that chrome will still be one of the eagerly sought ores in the future. There are indications of chrome ore in Canada and there is no reason why a commercial deposit cannot be turned up somewhere.

Magnesium

Some people in Canada claim magnesium should be produced on a large scale here as dolomitic limestone in northern Ontario contains it in large quantities. Recovery is the big question mark in this regard, however. Hamilton interests claim that a commercial recovery process has been developed that will make use of this limestone. Bobjo Mines and its associates also claim to have a process for turning out magnesium and a pilot plant has been placed in operation.

Production of magnesia — from which magnesium can be secured—is now to be carried out from brucite in eastern Canada. This may yet prove an important factor in solving the magnesium bottleneck. Out in British Columbia, Consolidated Smelters owns a magnesite property and magnesium might be produced there as a war measure if cost were not considered too seriously.

To implement the Hyde Park agreement, it seems quite possible Canada may be asked to increase production of those strategic minerals this country has already been able to place in production. Besides the rarer of these metals, Canada has iron, sulphur, cobalt and others that may be increasingly in the spotlight. The Metals Controller has asked that the search for iron be pressed particularly. A new process has been developed recently, it is stated, that allows the powdering of iron and the doing away with much expensive machine shop work.

The Accountant in a Changing Order

In an address delivered at a recent meeting of the profession of the public accountants in the United States, the Chairman of the Federal Power Commission made reference to the passing of the days of *laissez-faire* and to the turn back toward the conception of Canon Law—the conception of property ownership as a public responsibility and as a trusteeship in behalf of the common life.

This conception of property as a trust was, in his opinion, tremendously important in these times when private ownership embraces vast aggregations of property in natural resources. As illustration he referred to the great power industries with which his Commission was concerned. The carrying out of the social responsibility in the electric enterprise, as in other essential businesses, he said, mean securing the largest possible output at the lowest possible cost, because high costs reflected in high rates or prices are the main barriers standing between the people and the maximum use of their resources. And referring more specifically to the work of the Commission, he pointed to its bureau of accounts, finance and rates as foreshadowing the contribution which the accountant profession can make toward restoring the conduct of our economic system to the control of social responsibility.

The Government of Canada, as that of the United States, Great Britain and other countries, has entered new fields, representing efforts, as yet far from perfect, to introduce social responsibility into the management of the huge aggregations of property which constitute the wealth of the nation. These developments have opened tremendous fields of public opportunity for the skill and training of the chartered accountant of the future.

One of a series of brief discussions of the work of the professional accountant.

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Porc. Creek To Distribute

Unitholders to Receive 307 Bonetal, Shares and 57 Cents Per Unit

Unitholders of Porcupine Creek Syndicate gave unanimous approval to a winding up of the syndicate and a distribution of its assets at a special meeting late last week. Subject to breaking of the pool on the Bonetal shares, unitholders can expect to receive 307 Bonetal shares and 57 cents in cash per unit.

Chairman Frank Lawson informed the meeting that it was anticipated release of at least part of the Bonetal shares from pool would be secured in September if production appears warranted.

Taxes a Factor

It was considered desirable to secure approval of the distribution of pooled Bonetal shares now as the syndicate has secured a tax clearance and wishes to distribute before any change might take place. Although the Bonetal distribution has been approved, an active market will continue in the units, it was stated.

One of the syndicate managers, Bert W. Lang, discussed the present situation at Bonetal Gold Mines, of which he is president.

Crosscutting is underway on four levels at Bonetal, with headings out 300 and 150 ft. to the south on the second and fourth levels, respectively, on the way to their objective the No. 1 ore zone which is about 400 ft. south of the shaft. The No. 1 ore zone is believed to be the extension of the Hallnor zone coming in from the east.

To Test No. 2 Zone

Crosscuts on the third and first levels are out 100 and 50 ft. respectively to the south to cut the No. 2 ore zone in the greenstone formation at approximately 200 ft. south of the shaft. Where this zone was cut on the second level was not expected to make ore without work being carried farther to the west.

Drifting is to be carried out on the indicated ore in the more southerly or No. 1 ore zone to determine the true ore grade and dimensions.

Exploration of the north greenstone ore zone is to be carried out by long line drives with flat drilling to outline the indicated ore zone. Drifting on line may be carried to the east as well as west.

Tentative milling arrangements have been discussed with Broulan Porcupine Mines. If Bonetal is successful, there is no doubt an arrangement can be made, it is stated. When some idea of possible tonnage and grade is secured, arrangements may be made to expand the Broulan mill until a still better picture of ore dimensions is secured. This arrangement will prevent dilution of the vendors' interests by any need of providing a mill.

$270,000 Now Paid In

Over $270,000 has been paid into the Bonetal treasury to date, and underwriting and options will provide roughly $100,000 more which it is expected will be about sufficient to carry things along to the production stage.

No estimate of possible grade to be treated has been made by the management. Formula for treating ore in the Broulan mill will likely be Broulan's operating cost plus depreciation on the Broulan plant so there will be no penalty incurred by using the Broulan mill.

Find Little Long Lac Mine Is Responding at Depth

From Our Own Correspondent

GERALTON, Ont.—Work on the four lower levels at Little Long Lac Gold Mines shows both an improvement in average ore grade and a material increase in total ore lengths. This is due at least in part to a northwest faulting of the main vein with drag folding and higher degree of fracturing.

Exploration in recent months has been largely confined to the drag folded parts of the main vein on the lower levels. Ore lengths opened up in this work have been as follows:

Level:	Length ft.	Width inches	Grade Oz. Uncut	Grade Oz. Cut
11th	50	43.7	0.923	0.920
12th	43	43.0	0.932	0.585
13th	78	47.8	0.579	0.484
14th	153	43.7	0.556	0.498
15th	27.5	46.6	0.671	0.553
16th	17	48.8	0.520	0.508

Additional drifting will be done on the 12th, 13th, 15th and 16th levels. On the two lowest levels it is believed ore length will be over 200 ft. of ore per level.

Overall ore lengths opened up—including the main vein—now show results at depths as follows:

Level:	Length ft.	Width inches	Grade Oz. Uncut	Grade Oz. Cut
11th	1,428	31.8	1.045	0.892
12th	1,499.5	37.6	1.311	0.803
13th	1,544	39.3	0.753	0.673
14th	1,604	42.6	0.769	0.586
15th	1,347.5	43.2	0.625	0.513
16th	1,226	41.4	0.856	0.689

In the shaft area at the 16th level a cross cut has been driven south for exploration of the south contact zone. After being advanced over 600 ft., drifting is now being carried out to the west. The drifting is angling southwest over to the contact of the arkose and sediments. Diamond drilling from the 15th and 16th levels has intersected favorable structure and ore intersections, indicating that the fourth level south structure may be duplicated at this lower horizon. Stoping is now being done on the fourth level in the south contact over an extension of 250 ft. grading 0.3 oz. over widths of from 3 to 6 ft.

Prepare for Shaft

Preparations for sinking the new internal shaft are now under way. This shaft is situated 1,000 ft. west of the main shaft on the 16th level. With the station already cut, it is expected that sinking will commence this month. The shaft is to be sunk 600 ft. to 2,800 ft. depth to establish four new levels at 150-ft. intervals. Lateral development should be underway from this shaft before the end of the year.

Operating results for the first four months of 1941 have been as follows:

1941:	Tons milled	Bullion production	Operating profit
Jan.	9,800	$141,781	$68,039
Feb.	8,865	137,837	69,926
Mar.	9,860	139,379	63,582
Apr.	9,650	136,735	66,574

Mining Enquiries

Hayes Cadillac

A short while ago a special meeting of Hayes Cadillac shareholders was held to authorize a distribution of Winchester Larder Mines shares. Did this go through? What was the basis of the distribution? Does it mean that Hayes Cadillac goes out of existence?

Shareholders of Hayes-Cadillac Mines have authorized distribution of Winchester shares on the basis of one pooled share of Winchester for each 10 Hayes-Cadillac Mines shares held. As the Winchester shares are held in pool, there is no immediate prospect of a distribution of these, but the company wishes to have the authority to distribute them if this should become feasible at a later date.

The distribution of the Winchester shares would not affect your holding in Hayes-Cadillac, the distribution of Winchester being looked on as a bonus. Hayes-Cadillac still hold property in the Cadillac area and it is stated that an "outstanding" new property is being negotiated for.

Sudbury Basin

I bought shares of Sudbury Basin Mines more than a decade ago when the company's property in the Sudbury area was considered to have important potentialities for the production of base metals. With the war I would think that this property would be assuming importance again, granted the company still holds it. Just what is the current situation?

Sudbury Basin Mines still holds its Vermilion Lake property in the Sudbury area where diamond drilling indicated 800,000 tons of lead-zinc-copper ore carrying some additional values in gold and silver. With the low fixed base metal prices existing since the outbreak of war, however, there has been no move afoot to undertake the development of these reserves. The management is known to consider this property potentially valuable, nevertheless, and not long ago the company acquired the adjacent properties of Treadwell Yukon Corp. and formed Ontario Pyrites Limited to hold title to the property. According to the management, combined properties present an opportunity of producing large quantities of base metal ores when economic conditions improve.

When Falconbridge Nickel Mines—in which Sudbury Basin holds 1,188,810 shares—was forced to suspend dividend payments, earnings of Sudbury Basin Mines also suffered and net profit was equal to only 8 cents a share last year. Falconbridge, however, has been able to resume dividends on a reduced scale and Sudbury Basin's position has consequently been greatly improved. In the next year dividend income should start coming in from La Luz Mines in which Sudbury Basin was to hold approximately a 21% interest when financing was completed. This could be an important source of revenue.

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The Geologists' Paradise

The Province of Nova Scotia is the geologists' paradise because all ages of rocks from Mesozoic down to Precambrian are predominately displayed within a relatively small area. The old Precambrian mountains have been eroded to relatively low altitudes.

The world's classic geological section of the coal measures occurs along the Joggins shore, Cumberland County. Fossil ferns and stems are the palaeo-botanists' delight.

The rock exposures around Minas Basin are the museum curators' favorite hunting ground for zeolites. Natural amethysts are found in the cliffs of Cape Blomidon overlooking the Land of Evangeline.

Many rare minerals are found within a small area at New Ross, Lunenburg County, and most of the common economic minerals are widely distributed throughout the province.

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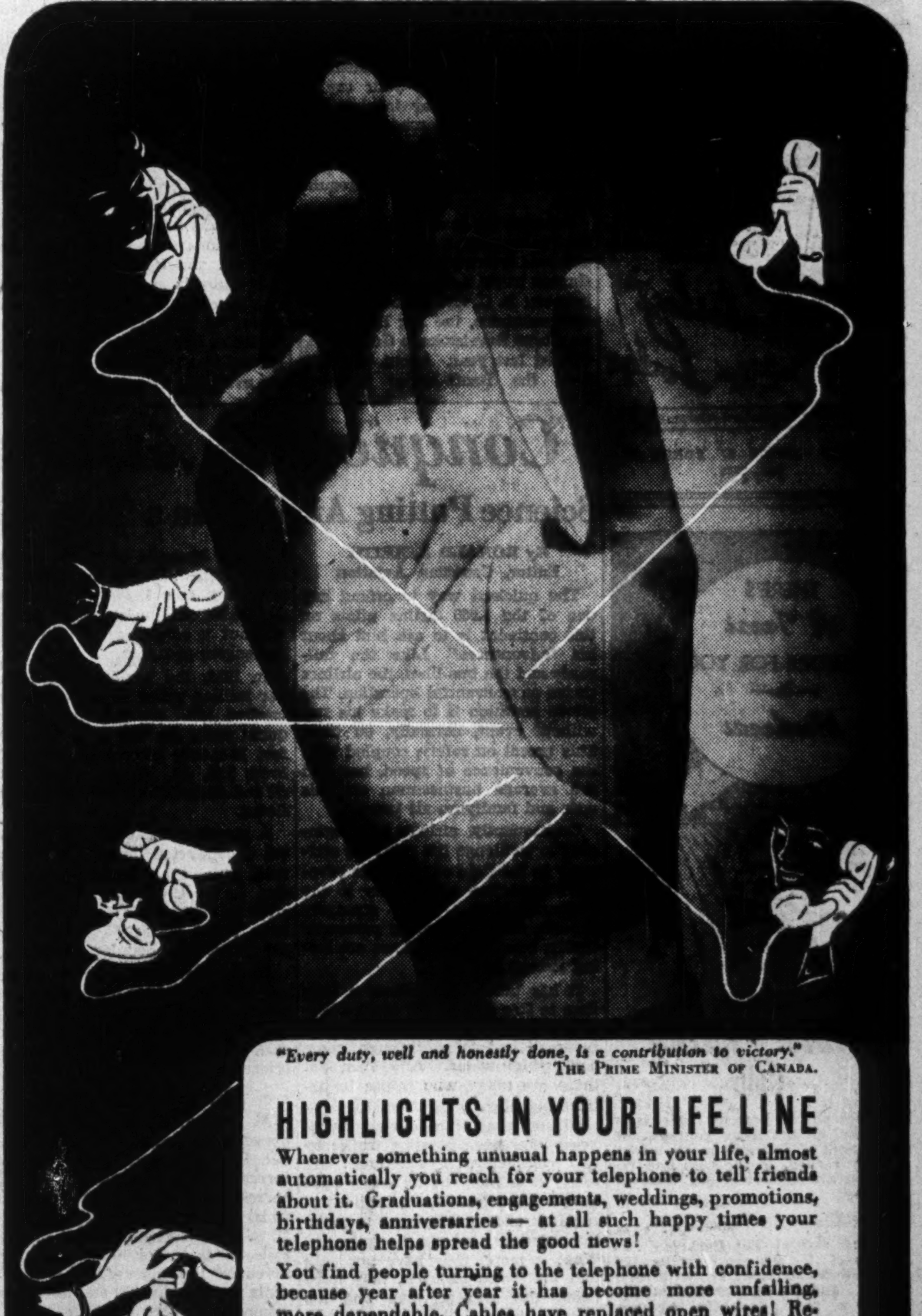
HON. L. D. CURRIE, Minister A. E. CAMERON, Deputy Minister



Big Canadian Tourist Flow Swinging Westward

Regional and Cross Country Travel Gains Impetus From War Factors

War is giving increased impetus this summer to regional and cross country touring by Canadians, marking a break in many cases with a long standing custom of short trips and cruises or vacations at particular resorts.

A major factor in the trend toward holidays on the move is, of course, the wartime restriction on pleasure travel outside Canada, which limits the vast majority of Canadians to spending their annual rest and recreation period in the Dominion. While irksome to those accustomed to journeying to resort areas outside Canada, the curb has been welcomed by many as an opportunity to learn of the extensive attractions and facilities of their own country.

At the same time, Canadian attention has been focused on native tourist resources by the widespread publicity on the effort to foster the U. S. tourist trade, the enlisting of Canadians generally in this drive, and the campaigns of various provinces and local groups to attract Canadians kept at home by war regulations. These campaigns have concentrated particularly on developing tourist travel from other sections of the country.

Longer Travels

As a result, Canadians have heard and read a good deal more than in past years of outstanding areas and routes across the Dominion, and have had their interest stimulated in visiting places far from their homes. This has been reflected already in a noticeable upturn in the movement of Canadians spending their holidays in transit.

Capturing a lion's share of the flow of regional and cross Canada travel are the western provinces, in particular the magnificent touring areas in the Rockies of B. C. and Alberta, the adjacent sections of both provinces, and certain districts of the prairies where tourist attractions have been developed.

Development of transport and tourist facilities in the past few years has made it possible to select from all existing forms of modern transportation to undertake western tours, and choose between proceeding leisurely over a planned itinerary or skipping through a number of favored locations in a series of rapid jumps.

Choice of Routes

From central Canada tours may be made by air, by rail, by rail trip broken by the steamship cruise up the Great Lakes, or by automobile. The new road from Hearst to Geraldton in northwest Ontario, now being built to fill in the last remaining gap in the Trans-Canada Highway, will not be completed this summer. But cross country motor tourists can bridge the gap either from Sault Ste. Marie to Fort William by steamer, which will transport your car at moderate cost; or by looping into the United States by road at Windsor or Sault Ste. Marie, such transit movements still being readily permitted by foreign exchange regulations.

Between the head of the lakes and the Pacific coast, a chain of highway and road systems today permits continuous travel by car. The final link between B. C. and Alberta through the mountains, the Big Bend highway from Revelstoke to Golden, was opened last year. About the same time the Banff-Jasper highway, linking Banff and Jasper national parks through the intervening Yoho national park, was made available to traffic.

Both in the Rockies and on the prairies, Canada's national parks are among the favored objectives and stopping places of summer tourists. The conception of the prairies as vast unbroken landscapes of open, treeless plain is contradicted by the three national parks in the prairie provinces.

These are Riding Mountain park in Manitoba, Prince Albert park in Saskatchewan, and Elk Island park in Alberta, where recreational facilities and preserves of buffalo, elk, moose, deer and other wild life are within an hour's drive from Edmonton.

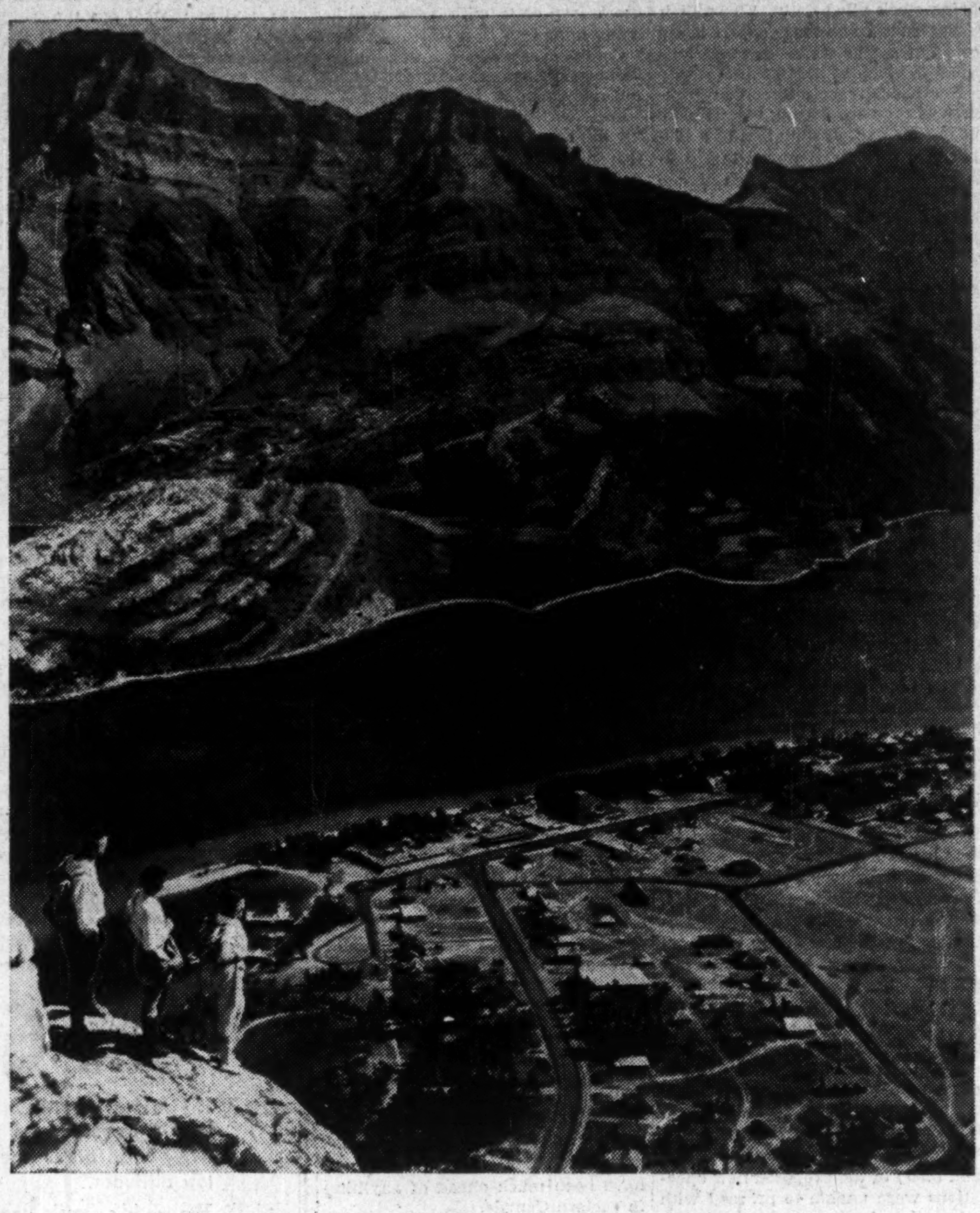
All three parks are wooded, fertile regions dotted with lakes and streams, and inhabited by various wild animals and wild fowl under natural conditions. Good roads give access to and through the parks. Facilities for boating, swimming, ground sports and other recreations are available, as well as refreshment places and auto camping accommodation. There are summer resort areas in Riding Mountain and Prince Albert parks, but so far Elk Island is without any hotel or bungalow camp, chiefly because of its proximity to Edmonton.

In contrast, the principal park regions in the Rockies are lavishly served with a wide variety of resort accommodation and recreational facilities, ranging from the big hotels at Banff and Jasper and the chalets at Lake Louise and Emerald Lake, down to the mountain lodges, small hotels and boarding houses, and tenting sites scattered through the area. The entire region has been magnificently endowed with breath taking scenic vistas of mountain, glacier, and clear lakes shimmering under towering wooded slopes.

At the major resorts are swimming pools, tennis courts, golf courses, saddle horses, dance orchestras and other facilities associated with leading resort developments on this continent. Less elaborate facilities but comfortable accommodation amid scenic grandeur are provided at the rustic lodges such as those at Lake Wapta, on the C. P. R. main line; Yoho in the Yoho Valley, Lake O'Hara, Moraine Lake in the Valley of the Ten Peaks, Radium Hot Springs on the Banff-Windermere Highway, and Mount Assiniboine, the "Matterhorn of the Rockies."

Various events of special interest to vacationists and tourists are scheduled for the Rockies and adjoining areas during the next few weeks. Among these are the Calgary Stampede, July 7 to 12; the annual Indian Days celebration at Banff, July 17-20; annual camp of the Alpine Club of Canada at Glacier, July 20-Aug. 3; annual expeditions of the Trail Riders of the Rockies and Sky Line Trail Hikers, starting from Banff July 25 and Aug. 1 respectively; and Banff Golf Week, Aug. 24-30.

Many tourists through the west press on through the Rockies into the mountains and national parks of B. C., or on to the Pacific coast to take a coastal or Alaska cruise from Vancouver.



The magnificent mountain scenery and recreational facilities of Waterton Lakes National Park, on the international boundary in Alberta, are typical of the splendors of the big national reserves in the Rockies. These rank high among the attractions which are drawing increasing numbers to the West this summer on regional and cross country tours. Above, hikers view Mounts Vimy and Boswell, and the townsite below.

Open Two National Parks This Week in Maritimes

Travel attractions in the Maritimes were extended this week by formal opening on Dominion Day of Cape Breton Highlands National Park in the northern part of Cape Breton, and later in the week of the National Historic Park at Port Royal Habitation, built by Champlain in 1605. The skirl of bagpipes and swirl of kilts were highlights of the Cape Breton ceremonies, attended by Dominion and Provincial Government officials.

The rugged and mountainous Cape Breton area of 390 square miles was officially reserved and established as a national park in 1936. Since then, considerable development work has been carried out. The Cabot Trail, scenic highway encircling the park, has been improved to accommodate increased motor traffic. Other improvements include construction of administration buildings, tennis courts, bathhouses, and an 18-hole golf course of championship standard.

Facilities for travellers have been established by the Nova Scotia Government at Keltic Lodge. Because of the distinctly Highland character of the park, most of the administration and other buildings have been patterned after the Highland crofter style of dwelling and blend well with the surrounding landscape. The native population of the park region consists largely of Gaelic-speaking fisher folk and French-speaking descendants of the famous Acadians.

Salmon are found in the park rivers, and in coastal waters off the park shoreline angling for swordfish and tuna has become a favorite sport in recent years.

Mark Centenary Of Cook's Tours

This week marks completion of the first century of operation of Thos. Cook & Son Ltd., the world's oldest travel agency and still the outstanding world-wide auxiliary of the passenger transport and tourist business.

The modern Cook organization of 350 offices in six continents is celebrating the 100th anniversary of the first publicly advertised tour, which was the beginning of organized pleasure travel. On July 5, 1841, the founder of the firm conducted 570 passengers in a special train on a tour from Leicester to Loughborough in England. During the next 10 years he extended his operations to all parts of the British Isles, and in the subsequent decade to continental Europe.

The first party of English tourists was brought to America in 1866, and in 1872 Thomas Cook set out with the first escorted pleasure tour around the world. Agency representation for the firm in Canada was established soon afterward, and since 1909 Cook's has had its own permanent offices in Montreal, Toronto and Vancouver. Tourists have been brought to Canada by the firm from the United States, Europe, Australia, South America, and various other parts of the world.

Acme Glove Sales Expand

Improvement Shown in 1940 Continues in Current Year

Sales of Acme Glove Works Ltd. have registered substantial gains in the current year over last year, The Financial Post is informed. Prospects for operations in the remainder of the year are considered excellent.

Increase has been experienced entirely in the domestic field, as export business has dropped. Betterment has extended to all lines of gloves, sports and working clothing.

Earnings outlook for the year is favorable, but higher costs of materials and labor and taxation will prevent the full extent of improvement in sales volume from being reflected in net profit.

Some disturbance in supply sources has been felt, but satisfactory substitute materials have been obtained.

If present level of operations is maintained sales will exceed those of 1940 by a large margin. In that year volume rose 29% over 1939. Net profit rose to $55,966 from $3,405 in the preceding year.

Provision of $30,135 was made in 1940 for income and "excess" profits tax, but the company has applied to the board of referees to be considered a "depressed" industry in the 1936-39 base year. This compares with provision of $723 for income tax in 1939.

Earnings of $8.14 were shown on the 6½% preference stock last year, compared with 49 cents. Dividends are being paid on the stock at the full rate of 6½%. Arrears amount to $3.25 a share. No dividends have been paid on the common stock since Jan. 3, 1939. Payments were formerly made at the rate of 50 cents annually.

The company has participated to a limited extent in war orders, but betterment has resulted almost entirely from normal business channels.

Building Workers Wages Raised

Montreal Area Union to Receive 5% Increase From Aug. 1

Workers in the building trades of the Montreal area will receive an increase in wages on Aug. 1 of 5%. A new agreement has been written between 10,000 workers and the Builders' Exchange, representing building trades.

Agreement was reached after two months of negotiation between the Exchange and building unions. A previous arrangement expired May 1, but was continued during the period of negotiation by mutual consent.

Unions notified the Exchange that they would demand a 10% increase when the 1941 agreement expired. The Builders' Exchange opposed the demand but offered a 5% increase. The union subsequently modified the demand to a 7½% increase.

Present wage for the majority of building employees is 77 cents an hour. Specialized workers are getting 83 cents an hour at present, and the 5% increase will be added to these rates.

The agreement is predicated upon the cost of living not rising beyond 5% during the period of its operation. If they do go beyond that percentage, the agreement becomes inoperative.

Contracts were signed by D. A. Paterson on behalf of the Builders' Exchange and by J. A. Charron, representing the Building Trades Construction Council.

Sangamo at Capacity Move Plant Soon

Continuation of civilian demand at at the same level at last year, together with increasing war production have kept operations of Sangamo Co. at capacity in the first half of the current year. Operations will shortly be transferred to the new building at Leaside, Ont., from the present location in Toronto. The transfer will result in a moderate increase in capacity and is expected to result in great operating efficiency in the production of electric metres, motors, etc.

A second dividend of 25 cents per share has been declared on the common stock, payable June 28 to shareholders of record June 25. A like payment was made April 10, 1941.

Conquering Airline Hazards

Science Putting Airplane in a 'Safer-than-church' Category

By RONALD A. KEITH
Editor, Canadian Aviation

The quickest way to offend any one of the 1,500 airline pilots on this continent is to ask him about his "adventures." Like the railroads and the bus lines, the airlines thrive on uneventful operation. The pilot's ambition is to make his run without event, normally, on time. This accent on safety, coupled with the convenience of speed, has sold the average businessman and his wife and family on air travel.

Consequently, airlines are beginning to challenge the railroads seriously in the field of passenger revenues, appealing particularly to the Pullman class. But, strangely enough, despite booming passenger traffic, most of the airlines are losing money this year.

It has taken the airlines a long time to live down their earlier heritage of the dare-devil days when the mail had to go through, come hell-or-high-water. And even yet there are many who refuse to believe statistics.

Airline executives during recent years have been boosting traffic by two complementary methods: By safety insurance and by safety education. They have spent millions in research and development to make the airlanes as safe as the railroads. What is more, they have not only told the world about it, they have taken the average man and his grandmother up for a ride to show them how safe and simple it is.

Technicians, executives and government officials have been and are battling on many fronts to close the gap between the occasional airline accident of today and absolute airline safety. Not only is their goal certain of ultimate achievement, but it is on the horizon of the next few years.

Early in 1937, representatives of every group directly concerned in airline operation, met in Washington to formulate safety measures. The result was a 60% reduction in airline accidents within a year.

As an example of what can be accomplished: During the 16 months preceding Aug. 1, 1940, the airlines flew 1,250 million passenger miles without a single injury either to passengers or crews.

In 1929, the passenger fatalities per million miles of airline travel totalled 1.61. For the nine subsequent years, leading up to the perfect 16-month record, were as follows: 1.03, .89, .79, .57, .71, .52, .96, .79 and .50 fatalities per million miles flown.

A growing confidence in air travel is reflected in the insurance rates which are derived from statistics. In the United States it is possible to buy for 25 cents an insurance ticket giving $5,000 coverage for travel on scheduled airlines.

In Canada for investment of $12 you can buy $10,000 protection for a year's air travel on Trans-Canada Air Lines, Prairie Airways, Canadian Colonial Airways, or any American airlines.

Increase Phenomenal

As a result of increasing confidence in the safety of airline travel, there has been a phenomenal increase in passenger traffic and corresponding reduction in fares. This year the airlines of the U. S. A. are rivalling the biggest railroad lines for total passenger revenue. Passenger fares were 12 cents per mile in 1929 and have now dropped to $.0508 per mile.

American Airlines, which is now operating across the border to Toronto and Windsor, is expected to earn more passenger revenue during 1941 than all but four railroads and Pullman Co. United Air Lines will probably rank 10th, Eastern Air Lines 13th, and TWA, 14th among rail and air carriers in passenger income.

During their 14 years of scheduled operation, the U. S. airlines have carried 12.5 million passengers. But some 3 millions of these were recorded in 1940, when a 46% traffic increase over 1939 was shown.

The air-rail fare gap is least for users of Pullman service and, accordingly, the airlines have directed much of their effort to selling the Pullman user on air travel. Since 1935, when the airlines had only 3.9% of the Pullman passenger revenue, the former have shown consistent gains in each of the succeeding five years.

Meantime, Pullman passenger traffic reached its peak in 1937 and has declined since then. By 1940, airline revenue passenger miles had increased to 12.7% of the corresponding Pullman total.

Costs Rocketing

Despite booming traffic, however, the airlines are faced with the spectre of rocketing expenses associated largely with the high wartime premium on the skilled men and the materials necessary for operation.

While operating revenues for the first quarter of 1941 rose 21%, operating expenses jumped 39%, with the result that the air transport industry showed a loss of over $2 millions for the period, compared with a $400,000 operating profit last year.

But even though the strain of this war may hamper their development to a considerable extent, the airlines have established their indisputable right to consideraton as one of the safest modes of travel.

The safety story is not yet finished. Today, the safety margin is maintained by avoiding conditions of near-zero visibility. When the "ceiling" is below proscribed levels, say 800 ft. for a certain airport, the flight is cancelled or the plane is directed to one of a number of alernative fields.

Storm Danger Vanishing

But within a few years the menace of fog and storm will vanish. It will be no longer necessary for the pilot to see his landing field. Instruments already used with success will guide him over invisible mountain peaks and onto the landing field runway as surely as if his plane were on rails.

The "absolute altimeter" is one of the most important of these developments. The altimeter used today is actuated by atmospheric pressure. Thus, a plane could crash into a mountain while flying at an indicated altitude of thousands of feet.

The absolute altimeter sends out an electric impulse which rebounds from any solid object. The timing of the impulse return is calibrated to give the exact altitude above any solid mass, either directly below or straight ahead in the plane's path.

Being Redesigned

This new altimeter has been tested successfully and now is being refined, decreased in weight, and designed for lower-cost production so that it may be installed on all airliners.

Another innovation of interest to airline passengers is the adoption of a blind landing system in the United States, with the probability that it will be in general use within a few years.

The so-called blind landing, more correctly known as an instrument landing, is made with the guidance of radio beams which give the pilot an exact picture of his vertical and lateral path in relation to the required glide path of the plane as it approaches the field.

The system devised in the U. S. was developed at an experimental station, then demonstrated to a committee composed of operations executives of 18 airlines. Now 10 systems are being installed at widely scattered airports, to be followed by 15 more installations, to provide opportunity for the maximum number of airline personnel to become familiar with the operation under service conditions.

U. S. Names New Consul To Newfoundland

George D. Hopper has been appointed American consul-general in Newfoundland, with offices in St. John's. Mr. Hopper was consul-general in Winnipeg since October, 1937.

The Newfoundland post has assumed more than ordinary importance since signing of the destroyer-bases deal between the United States and Great Britain.

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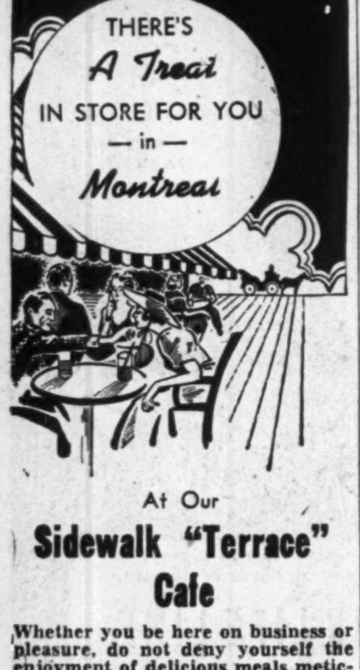
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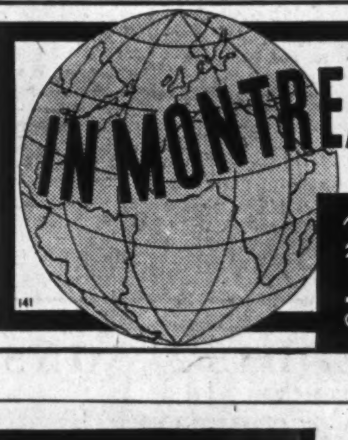

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